Fifth Annual Pulp and Paper Number

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

VOL. XVII Annual Subscription, $5.00 PUBLICATION OFFICE: TORONTO, AUGUST 31, 1923 Single Copies, 10 Cents. No. 35

RECENT BANK DEVELOPMENTS HELP CLEAR AIR

But Business Would Like Assurance of Sound Basis

PRICES GOING HIGHER

Trend is Again Upward in the United States and Temporary Outlook for Trade is Favorable

The tenseness in the financial atmosphere created by the suspension of the Home Bank was, for a time, increased by the announcement of the absorption of the Bank of Hamilton by the Bank of Commerce, made this week. However, there has again been evident in the business community the feeling that the present developments and adjustments are in consequence of the past and do not forecast future conditions. But disquieting reports and rumors are still being heard. There is a feeling of uncertainty in many quarters where it is not warranted and business will undoubtedly hesitate until there is assurance that a solid banking basis has been re-established. Assurance to that effect should be provided as soon as possible.

In connection with the Hamilton-Commerce consolidation, Sir Edmund Walker, president of the latter, made a reassuring statement regarding the situation in which he agreed with the view expressed in this column last week that the present crisis reflected conditions of the past rather than of the present or future; he saw no reason for expecting that such an occurrence as the Home suspension should be repeated. There had been an improvement in business conditions during the past year, he continued, and with ordinary care conditions would right themselves gradually. On this point he said:

"From the standpoint of an outsider interested in Canadian investments, I would not see any cause for alarm in the suspension of the Home Bank. The conditions that caused this failure date back some time. It is one of the outward manifestations of the readjustment of business after the abnormal post-war prosperity has spent itself.

"There is not the slightest basis for any alarm as to the financial situation. I can see no reason for expecting a recurrence of the recent happening. Other banks may find it necessary to draw on their rest fund to meet contingencies. The Canadian Bank of Commerce will certainly not have to do so. But if other financial institutions take this action, it should be realized that this is sound business practice, and that there is no reason for taking alarm on that account.

"The situation in the West is better than it was a year ago. It is distinctly better than it was two years ago. But there is still need for a re-alignment of the respective returns of industry and agriculture, in the interests of a more durable prosperity.

"Conditions are better in Ontario than they are in the West. Both in this province and in the West there have been fairly good crops—not as good as were anticipated, but, nevertheless, quite satisfactory. There is no cause for alarm for Canada's future."

The General Situation

The general situation shows little change. The improvement looked forward to with the Western harvest is not materializing as hoped because of the decline in harvest prospects and the unsatisfactory market conditions for farm products. Improvement in the trade situation in the United States is reported, and this may be reflected in Canada. Better buying of goods and materials has been noted; commodity prices have turned firmer, and the stock market has reflected this state of affairs. But the expansion is expected to be limited. In describing the temporary outlook as favorable, J. S. Bache & Co. say:

> In many other lines, the absorption of stocks of goods has produced a certain amount of scarcity, and this, or the prospect of it, will bring on an acceleration of orders.
>
> So, that the temporary outlook for a few months, at least, is good. Beyond that, uncertainties prevail. Building construction, large railway expenditures, and the spending of high wages throughout the industrial districts, have created an enormous volume of consumption. That this is still going on, the record of freight loadings bear evidence to. These, for the first seven months of this year, were 20 per cent. greater than the average for the same period in the preceding four years. Should the rate of consumption, which is at the bottom of all the activity, keep up, why should not the activity continue? And yet this consumption is largely internal. There is little co-operative help from foreign markets. There is a prospect for a change in this direction through an European settlement, which would brighten up the whole situation, but as to when this will come is altogether uncertain. For such activity as we have been having for seven months, to continue for a long period, say two or three years, when the unbalanced condition existing between agriculture and manufactures is so pronounced as at present, would be highly improbable—unless some great change took place.

New Chancellor Told of Mineral Wealth

Steps are being taken to draw the attention of Britain's new chancellor of the exchequer to the possibility of the development of the great pre-Cambrian area of Canada as a means of paying off Great Britain's huge debt to the United States. The chancellor is being asked to take the matter up at the coming Economic Conference. The letter which has already been mailed to the new chancellor called attention to the optimistic reports which engineers have made on the possibilities of the pre-Cambrian shield, the fringe of which has only been touched.

The idea behind the communication is the influencing of British capital to turn their attention to the development of Canada's mineral wealth. In last week's mining number, THE FINANCIAL POST offered the suggestion that Canada's gold should be developed to pay off Britain's war debts.

UNFAIR CRITICISM IN RAILWAY CASE BAD FOR BUSINESS

Officials Returning From England Lament Propaganda and Advocate

That the propaganda now being carried on in Britain by certain interests against the Grand Trunk award is more widespread and damaging than is commonly realized here, is the opinion of prominent business men who have recently returned from England. A government official from Toronto heard the situation discussed in several quarters, in which the opinions of those seeking to force the government's hand through warping public opinion were reiterated.

An officer of a Canadian life insurance company heard the government's attitude severely criticized in many quarters. He believes that, unless some active campaign to combat it is engaged in, it will not only preclude the possibility of interesting English investors in Canadian bonds and stocks for some time, but will make it more difficult for the loan companies and other financial institutions to do business there. Even among life insurance agents he found the subject discussed with some anxiety.

As proof of these opinions, he has secured an investment circular issued by Arthur Wheeler & Co., of which Sir Arthur Wheeler is head, which reads in part:

> "Some people might be disposed to go so far as to call their action sharp practice. When the Bolsheviks are accused of conduct which, on the face of it, does not differ in essence from that of the Canadian Government in this matter, the world holds up its hands in horror. If the Bolsheviks are to be condemned, are the Canadian authorities to be condemned?
>
> "Is the Canadian Government going to put itself on a level with the Bolsheviks? The Bolsheviks have appropriated all private property; the Canadian Government appear to have appropriated a particular piece of private property. The difference is only one of degree. Some people would go so far as to say that the one is guilty of a large appropriation and the other of a small appropriation.
>
> "The stock holders put their money in this Canadian railway because they believed that its development and expansion would be profitable. If it were profitable to them, it would also be profitable to Canada. The Grand Trunk Railway is unquestionably going to be profitable to Canada, and is Canada going to neglect the claims of those who were the enterprisers of this railway? It is impossible to think so.
>
> "If the Canadian Government insists upon its present attitude to the railway stockholders, it may by keeping to the letter of the law temporarily relieve Canadian finances. Finally, however, because of the higher rates which will have to be paid for new loans to cover the extra risk arising from repudiation of the past, the second state will be worse than the first."

Not Room in Canada For Two Trust Companies!

Some years ago when George A. Cox was a director of the Toronto General Trusts Corporation and J. W. Langmuir was general manager, it is told that Mr. Cox walked into Mr. Langmuir's office and announced with customary suddenness, "I am going to start another trust company."

Mr. Langmuir rose, startled. There is not room enough in Canada for two big trust companies," he delared.

But Mr. Cox organized the second trust company, the National Trust. Now both of these organizations have grown to prosperity and many other trust companies with them.

Cannot Fix Wheat Prices, Says Barnes

NEW YORK. — Legislative price fixing of wheat cannot be affected by law across 3,000 miles of wheat growing territory with yields varying from five to fifty bushels per acre, is the opinion stated by Julius H. Barnes, president of the Chamber of Commerce of the United States.

HAMILTON MERGER WITH COMMERCE WELL RECEIVED

Developments Had Prepared Both Shareholders and Public

FAVORABLE TERMS

Advance in the Price of the Hamilton Stock Indicated How Shareholders Regarded the Deal

The collapse of the Home Bank, together with the adjustments made in the finances of the Standard and the Union, and the general acknowledgment that the industrial and business depression has had its effect on all the banks in varying degree, paved the way to passive acceptance by shareholders, depositors and the general public of the announcement this week of the absorption of the Bank of Hamilton by the Canadian Bank of Commerce. That the announcement was well regarded in financial and investment circles is indicated by the fact that Hamilton shares advanced over fifteen points during the trading on the following days, and this advance may also be taken as an indication of favorable terms for the Bank of Hamilton shareholders, although there has as yet been no definite announcement on this point. Thirty days will elapse after the agreement is drawn up before the shareholders pass on it.

It has been intimated by Sir John Aird, general manager of the Bank of Commerce, who conducted the negotiations on behalf of that bank, that the transaction will be on the basis of a share for share, but evidently the terms have been left open and will be definitely decided after a survey of the assets has been made to establish relative value. Goodwill nad bank premises are two items particularly entering into this survey. Bank of Hamilton shares touched 160 on Wednesday as compared with a low of 150 on the previous day and 147 as the bottom of the recent decline. The slump came in July, the high and low for the month being 165 and 150. The price opened at 170 with the present year and sold slightly higher in May. The high in 1922 was 175 and the low 163, and in 1921 the relative prices were 188 and 168. Before the war the stock ranged above 200. The present market for Bank of Commerce shares is around 190.

It will be recalled that the Bank of Hamilton has been previously mentioned in connection with proposed

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Miss Hind Reports Good Crops in North

By E. CORA HIND.
Commercial Editor, Manitoba Free Press.

ROSTHERN.—For more than two weeks I have been travelling rapidly over the large territory in the North. The whole Northern country will yield a large quantity of wheat but the harvesting has been delayed by rain. The weather is now fine and seems more settled. My survey when completed will have involved 5,600 miles of traveling.

The Manitoba Free Press crop estimate will not be out until Saturday Sept. 8th. The developments in regard to the growing grain have again proven the unreliability of the earlier estimates.

Wholesale prices of principal commodities now stand approximately 51 per cent. above 1913, according to canvass by Department of Labor, Washington. Prices of clothing are 93% above 1913 level. Metals, food, farm products and chemicals all show less than 50% above 1913.

Clearing the Air

Sir Frederick Williams-Taylor is credited with expressing the encouraging opinion that the Canadian banking situation is now "cleared up" and that "no new mergers are pending."

If Sir Frederick will make this statement officially as president of the Canadian Bankers Association, backed by the authority of that body, it will go far to restore confidence in the business and financial community. Until such assurance is forthcoming by the Canadian Bankers Association or the Government, it must be expected that the widely circulating and disquieting rumors will continue—rumors involving institutions whose position cannot be called into question and yet which are not surprising in view of the nature of recent developments.

THE FINANCIAL POST has been calling upon the Canadian Bankers Association to clear the air. If the air has been cleared, then let official assurance to that effect be widely advertised. If it has not, then the quicker it is cleared by further adjustments the better.

But while assurance that banking stability has been achieved will give confidence to business, it will not alone restore the complete confidence of depositors and investors. Developments have shown that so far as indicating the real position of the banks is concerned, the monthly returns to Ottawa are little better than a joke and that shareholders evidently can put little reliance in the reports of their own auditors.

Under the circumstances there is certain to be an insistent demand upon Ottawa for legislation to right this state of affairs. Government inspection will no doubt be demanded. Experience leads to the conclusion that such inspection would be more dangerous than otherwise, because it would hamper the functions of the banks and interfere with business. Nor is there assurance that it would prevent losses, while if losses then occurred the public would demand reimbursement by the Government.

We believe that the appointment of a superintending officer to deal with the monthly returns and see that they properly indicate the true state of the bank, and not merely the book position, would go far to overcome the present weaknesses without imposing an inspection that would hamper business with ineffective red tape. Such an official should be an experienced, practical banker and he should have the right to ask for supplementary information regarding loans made. With such an official something in the way of limitation of loans might be possible. In any event he could interpret the returns made under the Act and which evidently are now merely fodder for pigeon-holes.

Collapse of the Home Bank Will Spur on Progressives

Recent Developments in Banking Circles are Certain to Echo in the House of Commons—Monthly Statements Have Indicated Nothing Out of the Ordinary

From Our Own Correspondent.

OTTAWA.—The impression exists in official circles here that the Home Bank affair will give the government a whole peck of trouble during next session of parliament. One can almost in imagination hear the Western Progressives sharpening their knives for the attack. Those who led in the discussion on the bank Act last session will consider the intervening developments as a vindication of their stand, and it is unlikely that they will let up.

The collapse of a bank such as the Home, which had a large following among the farmers, is especially troublesome for a government as those who recall the strenuous efforts of the depositors of the Farmer's Bank to get compensation can quite understand. The farmers take losses through a bank failure harder than almost any other class and that no doubt because they have to work so hard for their money.

The bankers will come in for much strong criticism in parliament because they so strongly took the position last session that the Canadian banking system was so well nigh perfect.

Cabinet Ministers Grave

It has been noted that the faces of some of the ministers after they have come out of Cabinet Council recently have been graver than usual, and the explanation has been found in the collapse of the Home Bank and the merger of the Bank of Hamilton with the Commerce. Next to a declaration of war, if there is anything that scares the average cabinet minister, it is the threatened collapse of a bank.

When trouble appears among the banks the government is not the controller but rather the instrument of events. As has been shown by recent happenings, the monhtly returns made to it do not show the actual state of a bank's affairs, so that the government does not receive the first intimations of trouble. It is, however, about the first to hear, outside of the particular institution itself, the real extent of the trouble. When it is serious there is no help for it but to follow the advice of the best financial doctors. If they say a merger is necessary, it is O.K.'d.

The announcement of the merger of the Hamilton with the Commerce contained reference to rather heavy losses sustained by the former, but,

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CANADA SHOULD NOT EXPORT ITS RAW MATERIALS

So Declares C. Howard Smith, President of the C. M. A.

From Our Own Correspondent.

MONTREAL.—Opposition to the export of raw materials from Canada has come from one of the leading manufacturers of the Dominion, C. Howard Smith, president of the paper mills bearing his name and also president of the Canadian Manufacturers Association, Mr. Smith this week stated his belief that Canada should manufacture its raw materials before exporting them.

Exporting raw materials never made any nation wealthy, said the C. M. A. head. It might be a good thing for a country in period of depression because it was easy to sell and brought quick returns. During the recent depression it may have been wise for Canada to sell raw materials to tide over Canadian trade. But generally goods ought to be carried to a high state of manufacture at home before being exported.

Asbestos and Pulpwood

Mr. Smith discussed asbestos, of which Canada controlled 80 per cent. of the world's output, and exported 200,000 tons a year. This brought in about $12,000,000 a year. If it were manufactured in Canada, it would not only lead to investment of much capi-

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The United States Now Consumes All Own Beef

WASHINGTON.—Domestic market is now large enough to absorb the country's normal beef production. This is chief reason why we no longer supply Great Britain, says Charles J. Brand, marketing specialist, Department of Agriculture. Another factor against increased beef exports is lower production costs in countries like Argentine.

From 1891 to 1921 population of United States increased from 62,948,000 to 107,833,000, while cattle in this country increased only from 51,363,000 to 66,652,000. Growth in population has easily absorbed larger beef production. The same is true of mutton.

Reorganization Plan for Clarke Brothers

A new company is being organized for the purpose of taking over the properties of Clarke Bros., Ltd. American interests with successful experience in the pulp industry are behind the project and the proposal entails an exchange of new bonds for the first mortgage bonds outstanding and preferred stock for the holders of junior bonds.

Things Are Pretty Good

With so much of this "Whisper of Death" stuff in the air and the danger that it may create discouragement and depression, THE FINANCIAL POST believes that business men and investors would be interested in the views on the present situation in Canada of an outstanding leader in the industrial, financial and commercial life of the country.

THE FINANCIAL POST asked the question: What do you think of the present business situation? This business leader said:

"Driving to my office the other morning I picked up a business man who asked me if I thought there would be an improvement in business this Fall. He knew who I was. I did not know who he was. But I ventured the guess that he played golf. I then called attention to the fact that there are about five times as many golf links in Toronto now as there were before the war.

"I used the reference to golf to illustrate the present conditions. Business men want to play golf. They want larger incomes and would like to devote less time to the office. Workers demand shorter hours and they want higher wages. And these tendencies at a time, following a terrific war, when the country must discharge an immense burden of war-created debt, which is borne largely by business.

"And so I answered this man's hopeful question regarding better business by asking him if he did not think that business was doing very well for us in Canada and whether perhaps we should not be considering whether we could do something for business instead of expecting it to do more for us.

"As individual citizens we are not on the whole over-worked. We have modern comforts on a scale to compare with any other country in the world and surpassing anything of the past. To illustrate: Canada is second only to the United States among the countries of the world in ownership of automobiles. With 8,500,000 people in Canada we have actually more automobiles than owned by the 45,000,000 people of the United Kingdom, or 70,000,000 people of Germany and Austria."

It is well for Canadians to consider these things. Business is not booming and it should improve, but it might be a lot worse and it is better not to look for a return of prosperity caused by inflation.

PROBLEMS TOO DEEP TO SETTLE AT CONFERENCE

Ottawa Evidently Not Looking For Big Things

FAVOR FOR FAVOR

Concessions Secured Will be at a Price—Larkin and Gouin Will Speak for Canadian Business

If Canada wants to gain advantages at the Economic Conference she must be prepared to pay the price. That is the conviction of those who will represent the Canadian government. Concessions must be met with concessions. What then is Canada prepared to offer for such a concession as a preferred market for wheat? The price would be high, because a British government would demand important trade concessions before proposing a tariff on the food supply of the nation. There is a feeling that the present problems are too fundamental to be greatly affected by the conference. The government has neglected to confer with business and agricultural interests but in Larkin, Gouin and Graham the premier has sound practical advisers.

From Our Own Correspondent.

OTTAWA.—At the Imperial and Imperial Economic Conferences in London, Canada will be represented by Mackenzie King, Sir Lomer Gouin and Hon. C. P. Graham, the Prime Minister attending the first mentioned and the other two the Economic Conference. Hon. P. C. Larkin will attend in an advisory capacity as will also Prof. Skelton, head of the political science department of Queen's University, while a number of departmental officials, recognized as authorities in their line, will also go along.

Representations have been made to the Government that a strong delegation representing the important industrial interests of the country should also be taken over; but while these have received careful consideration, they will not be acted on. It is not lack of appreciation of such advice, but the difficulty of satisfying all concerned.

One person whose close contact with the situation entitles him to speak, stated the situation thus: "To give satisfaction in this matter is not as easy as one on the outside may think. The farmers, for example, are suspicious of delegations of this nature, especially of those going to London, and as they are a strong factor in the political situation they

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UNION BANK OF CANADA

Dividend No. 146

Notice is hereby given that a dividend at the rate of 8% per annum upon the Paid-up Capital Stock of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Saturday, the first day of September, 1923, to Shareholders of record at the close of business on the 16th day of August next.

The Transfer Books will be closed from the 17th to the 31st day of August, both days inclusive.

By order of the Board.

J. W. HAMILTON, General Manager.

Winnipeg, July 19th, 1923.

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The Bank of Toronto has for over 66 years rendered to its friends services that have been of the greatest assistance in the building up from small beginnings of many of the most successful business enterprises in Canada.

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THE BANK OF TORONTO
JOHN R. LAMB, General Manager.
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THE NATIONS OIL REFINERIES LIMITED
Formerly Red Star Refineries, Limited
Refinery under construction at Montreal East, P.Q.
HEAD OFFICE — CANADA CEMENT BUILDING — MONTREAL

14,389,161 tons of freight passed through the Canadian and American locks at Sault Ste. Marie during July, 1923, an increase of 4,154,676 tons over July, 1922. As in the previous month, the increased traffic in coal and iron was the contributory factor to the betterment.

AUGUST TO SHOW BIGGEST INFLUX FOR SOME YEARS

Harvesters' Excursions Are Having Effect On Total

BUT NOT TOO MANY

Reports Indicate that There is a Shortage of Workers in Other Fields Than Agriculture

From Our Own Correspondent.

OTTAWA.—The total immigration into Canada, exclusive of Chinese, during July was 13,859. Chinese might increase this by about 100, so that a few over 13,900 may be considered as correct. This compares with 7,757 for the same month last year. For the four months of the current fiscal year ending July the immigrants numbered 54,811, as compared with 32,849 for the same period of last year.

The indications are that August will show the heaviest immigration for some years, for it was not until this month that the harvesters from the British Isles began to make their appearance. As none came last year, and about 13,000 are said to have come during the last six weeks, the total number of arrivals should pretty nearly treble the 6,628 for August, 1922.

From what one can learn generally this incoming of harvesters is looked on as very fortunate for the country, for in addition to providing a much-needed supply of labor for the taking off of the crop, it will also help to meet the labor shortage that undoubtedly exists in other lines of industry. Though in no way responsible for this inflow, immigration officials point out that it is unfair to single out a few cases in which possibly through miss-connections men have failed to secure work as soon as expected, and thus condemn generally the whole movement of harvesters from the British Isles. As one man put it, "the fact that thousands of men have been placed and satisfied is ignored, and the whole effort is condemned on a few alleged failures that are a negligible proposition to the whole." It is also remarked that there is always someone ready to knock anything that looks like a real effort to do things.

Not Too Many Coming

Deputy Minister of Immigration Black does not share the view that too many people are being brought into the country. He has had enough western experience to convince him that the only way to make the West go ahead is to get people on the land. That he is to continue as deputy minister under Mr. Robb is a fairly good indication that energy will be put into immigration efforts; for it is well known that for some time he had little to do with the shaping of policy. It is generally admitted that the work done by the Soldier Settlement Board in placing returned men on land has been well done, and it was done largely under Mr. Black's efforts.

That there really is a labor shortage is pretty well borne out by a recent bulletin issued by the Bureau of Statistics on the employment situation which says: "That the situation is now more favorable than in any of the intervening months (since December, 1920) is due to the upward movement experienced during practically the whole of 1923 and the greater part of 1922, which represented a reaction from the depression recorded in 1921 and the last months of 1920."

NOVA SCOTIA LIKES SWISS IMMIGRANTS

Provincial Department Looked After Men When Settled On the Farms

HALIFAX.—All the Swiss farmers who arrived by the S. S. "Laconia" are now settled in their new homes in the province of Nova Scotia. In accordance with the arrangements made by the provincial department of industries and immigration when negotiating for these men they were all placed at fair wages and on a yearly contract with some of the best farmers in Nova Scotia. They are an exceptionally good class of farmer and communications so far received indicate that their employers are well pleased with their abilities.

All the settlers chosen for Nova Scotia were selected by immigration officials from a party of eighty destined for the Dominion. They were all fairly well educated and some few could speak English fluently. In order to aid them in picking up the language quickly they were supplied with a list of one hundred every day farm terms with Swiss translations.

Fritz Beck, delegate of the Swiss Association for Colonization in Canada, who lately returned from Europe, was in Halifax to meet the party and further arrangements were made with him by the department for the supply of a small number of these young farmers who will arrive during the next two or three months.

RUSHING TO CANADA

MONTREAL.—The eagerness with which Britishers are taking advantage of the opportunity to come to Canada to help garner Canada's bumper crop, is shown by a despatch from London, Eng., which states that it was necessary to employ a large number of police to quell the mad scrambles of prospective harvesters to get aboard the last ship which left England.

Crop Conditions Good In Quebec Province

From Our Own Correspondent.

MONTREAL.—There are excellent prospects now in Quebec for a good crop this year and the condition of farmers, apart from a few districts, is now reported as greatly improved. And as a result a general improvement in business for next fall is forecast.

The hay crop has been very good in all sections, apart from the county of Charlevoix, where through the lack of rain it was absolutely null and the Government had to give a grant of $25,000 to relieve the farmers and allow them to buy fodder from other sections. In Chicoutimi the hay crop is not as good as last year which was a record and is sufficient to help in compensating for this year's shortage.

Elsewhere and more so in the district of Montreal, the crop is reported as exceptionally good. Potatoes are abundant in all parts, The grain crop will be plentiful.

Gary Calls "Romantic Public" Responsible for 8-Hour Day

Nine Out of Ten of the Men, He Thinks, Favor Working Seven Days—Sorry Harding Died Before Knowing of Changes —Thinks Public Ignorant of Conditions

NEW YORK.—Elbert H. Gary, Chairman of the United States Steel Corporation, believes the American public is romantic, that it misunderstood the whole movement for the reduction of hours in the steel industry. What Judge Gary designates as "public opinion" has brought to the workingman of the steel mills perhaps the most acute "disappointment" of his life.

Mr. Gary in an exclusive interview with a reporter for The World talked in his office, No. 71 Broadway, of the change to the eight-hour day.

Mr. Gary is glad and sorry in the same breath. He faces these facts: That 150,000 men will be influenced by the change from the twelve to the eight-hour day. They will be influenced directly, personally. So personal is this new law indeed that Mr. Gary likened it to a new member of their family—they must deal with it each day, adust themselves to it with no hope of getting rid of it.

Sorry for the Men

Judge Gary has been the power behind the changing of the steel men's clock. Up to this point he has gently swayed the facts from the White House to the offices of the various kings of the industry. Now he declared the situation rules him. He is glad that the hot-headed influence called "public opinion" is satisfied. And he is sorry for the men affected.

"Our men will be bitterly disappointed at the change," he said, "perhaps more than they have ever been before. The workers in the steel industry of America are an ambitious group. Nine out of ten of them would rather work seven days a week. And they make more money in the twelve hour day than they will make in the eight-hour, in spite of the raise in salary. We can only hope that they will take it good-naturedly.

"The public has been and will continue to be absolutely ignorant of conditions. It comprises a mass of people whose minds are moved by a single colorful phrase.

Calls Work Easy

"First of all, that the work done by the steel men is strenuous is a natural illusion. The work is easy. It uses up comparatively little of the steel men's energies, because most of it is mechanical. The actual labor is confined to the machines. Modern science has reduced the work of the men to the minimum. It is their task to manipulate the machinery, not to be manipulated by it."

Judge Gary has faced these progressive facts for a long time. Understanding them as only the chairman of the steel institute could, he has been forced to endure the demands of a public "ignorant" of conditions in the mills. Over it all loomed the hazy picture of these men.

Now the public has been yielded to. It retires in contented silence. Judge Gary sits in a great chair at the end of a great table. One thousand dizzying portraits of square-jawed men on his walls whirl about him—men who have made good in the steel industry. One thousand books that tell about "the corporations with a soul" and "humanizing industry" line his line his shelves. His right hand fingers 1,000 letters.

Reaction of Judge Gary

The tense strain of the great movement is over. The decision has been reached. The settling of the question has produced a reaction in him. He has ceased to be the worker. He is worked upon. He is speculative.

Those portraits of the square-jawed men are partly to blame. And another mental portrait of the "disappointed" men has its influence too. The Judge understands the steel industry so well that his position is unique. He has been forced to yield to those who have never once peered behind the door of a single factory.

"The eight-hour day has been difficult to bring about," he explained, "because the machinery used in the steel manufacturing business must be kept in 'continuous process'. This means simply that the factory heads must keep their machinery inperpetual motion. To shut of the machinery would cause great damage.

Change of Shifts

"The work goes on year in and year out—twenty-four hours a day and seven days a week. To keep up this 'continuous process' it is necessary to have either two shifts of twelve hours each or three shifts of eight hours each.

"Throughout our works there are also ten-hour men. These men will be continued on the ten-hour work, probably much to their relief. So we will now have the eight- and ten-hour shift —by far the greater portion being the eight-hour shift.

"During the administration of President Wilson the country used up so much steel that the question of reducing the hours, which was brought up before the war, was turned in the directly opposite direction. We resumed the seven-day week work. But just after the signing of the armistice word was sent that we need not continue the seven-day week work. We immediately discontinued it.

"It has been recognized by everyone, even the president of the Unitd States, that in order to succeed in a movement to get rid of the twelve-hour day, practically the entire industry must be in accord and actin gat the same time. There must be the same desire throughout the whole industry. That has been impossible to

(Continued on Page 15)

NO NEED FOR BEING OUT OF JOB NOW

Ottawa Index Number Rose to Above 100 During the Month of July

OTTAWA.—There was a further small increase in the volume of employment as reported by employers of labor to the Dominion Bureau of Statistics at the beginning of August, when the index number for the first time since December, 1920, rose slightly above 100. That the situation is now more favorable than in any of the intervening months is due to the upward movement experienced during practically the whole of 1923 and the greater part of 1922, which represented a reaction from the depression recorded during 1921 and the last six months of 1920. Statements for the beginning of August were compiled from 5,862 firms employing 823,605 persons as compared with a total payroll of 818,535 in the month before. Reflecting this small increase, the index number rose from 99.5 on July 1 to 100.2 on August 1, as compared with 93.1 and 88.9 on August 1, 1922 and 1921, respectively. The increase was largely confined to the construction, transportation, communication and service groups, and was seasonal in character; manufacturing as a whole showed a slightly downward tendency, partly on account of inventories and holidays, while trade and logging were also less active.

Canadian Trade Summary

Imports and Exports by Main Groups

Main Groups	— Twelve Months Ended July — 1921	1922	1923
Imports for Consumption—			
Agricultural and vegetable products	$ 218,914,405	$161,628,388	$ 176,779,719
Animal products	47,890,630	46,007,584	48,259,022
Fibres and textiles	168,092,993	150,180,895	176,762,882
Wood and paper	50,732,863	35,135,498	38,733,664
Iron and its products	196,969,699	112,735,031	159,957,297
Non-ferrous metals	44,252,529	31,725,792	40,954,463
Non-metallic minerals	200,501,915	119,541,646	165,103,453
Chemical products	31,110,468	25,397,988	26,636,826
Miscellaneous	61,983,253	47,831,624	47,232,782
Total imports	$1,020,448,755	$730,184,446	$ 880,420,108
Dutiable goods	705,793,388	484,242,768	582,275,360
Free goods	314,655,367	245,941,678	298,144,748
Duty collected	$ 145,354,839	$126,176,673	$ 135,896,431
Exports (Canadian)—			
Agricultural and vegetable products	$ 460,651,606	$327,666,551	$ 422,124,543
Animal products	173,262,471	133,647,348	134,995,793
Fibres and textiles	11,900,880	5,334,926	8,361,687
Wood and paper	242,743,542	193,684,294	252,756,604
Iron and its products	59,017,301	31,501,801	60,498,554
Non-ferrous metals	38,560,202	30,696,451	54,626,854
Non-metallic minerals	35,106,568	21,194,304	30,826,482
Chemical products	15,494,476	10,094,970	15,319,094
Miscellaneous	26,242,188	13,746,548	14,893,753
Total exports (Canadian)	$1,062,979,234	$767,567,193	$ 994,402,364
Foreign exports	16,695,990	13,455,983	13,798,155
Total exports	$1,079,675,224	$781,023,176	$1,008,200,519

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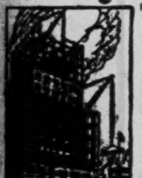

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C.N.R. MEN SEEKING INCREASE

A demand for a wage increase on the part of the station, shop, sheds, roundhouse and clerical employees of the Canadian National Railways will likely result from a meeting of the men's committees in Toronto, commencing on Monday.

WHERE DO PRIOR CREDITORS STAND IN WHEAT POOL?

Legal Tangles Likely to Result From New Scheme

PROFIT IN ECONOMY

Promoters are Adopting Sane Attitude in Not Expecting to Be Able to Force up Price Paid by Consumer

From Our Own Correspondent.

REGINA.—With the formal incorporation of the Saskatchewan Wheat Pool, the "voluntary contract" system of marketing, devised by farmers' organizations in the province, is prepared to handle 1923-grown grain.

The plan consists of dividing the province into sixteen producing districts. From each a director will be elected to the board of management. Growers are asked to sign a contract which gives the pool full control of the next five years' crops. Only requirements for seed and feed are exempt from the contract.

In selling, no very definite procedure has been laid down, though it is apparent the same facilities of transportation, elevator storage, etc., in use for many years, will continue to be used. The Saskatchewan Cooperative Elevator Company has granted $15,000 to the preliminary organization expenses of the pool and has promised the use of country and terminal elevators—conditional upon the company continuing to handle grain for independent shippers.

In finance, the capitalization of the Saskatchewan Wheat Producers' Inc. (for by such name is the central organization known) will be only $100,000, divided into 100,000 shares of one dollar each. This relatively small sum, as compared with the immense volume of business involved—that is, if fifty per cent. of the provinccial wheat crop is handled—is deemed by those in charge of organization as sufficient. The claim is that the pool will finance itself as soon as the wheat commences to roll in.

Profits in Economies

In private conversations with those interested, THE FINANCIAL POST learns that the principal profits expected to be earned are to come from economies in transportation charges by shipping in carload lots and in saving to the growers the profits made by elevator companies in mixing. There will, no doubt, be saving accomplished in these respects, but it will depend entirely upon the capabilities of those in charge of the organization. Good grain men are required to operate the business and to date, it must be admitted, no very outstanding grain experts are included in the personnel of the board of directors. The board (temporary) consists of the following: Saskatchewan Grain Growers' Association: George W. Robertson, Wynyard; Hon. J. A. Maharg, Moose Jaw; George Edwards, Markinch; A. J. McPhail, Regina; M. McLachlan, Swift Current.

Unorganized Farmers: R. J. Moffatt, Bradwell; George Spence, M. L. A. Monchy, A. E. Wilson, Indian Head; R. A. Reusch, Yorkton; Thomas Moffet, Viceroy.

Farmers' Union of Canada: L. C. Brouilette, Landis; W. M. Thresher, Dinsmore; R. H. Dundas, Pelly.

Retail Merchants: G. Garfield Wray, Regina; J. W. Matthewson, Strasbourg.

Private Elevator Companies: W. L. Nays, Saskatoon.

On the principle that anything likely to assist farmers of Canada in getting more adequate returns for the foodstuffs they produce will react to the benefit of the whole country, the "voluntary contract" proposal of marketing is receiving sympathetic consideration by all classes in the West. In a former article THE FINANCIAL POST expressed approval of voluntary wheat marketing. But with the contract pool—and a five-year contract at that—the voluntary principle is practically eliminated save at the time of signing.

Who Has Control?

One interesting and debatable point is: Have farmers who already have plastered crops, yet unharvested, with liens, the right to sign away control of such crops? This, at least, seems to afford prolific ground for litigation.

If the pool should undertake to finance obligations of this nature incurred by contract-holders, even the novice in finance must realize the magnitude of capital required. Many millions of dollars would be required in addition to sums required for the usual activities of the pool.

Producing Coal Day and Night at Sydney

SYDNEY.—For the first time in fifteen years, Caledonia colliery is to be double shifted and will produce coal day and night while the present brisk demand for fuel continues. On recent days the output has been so heavy that it could not be hoisted out during the day time, so an additional shift is being ordered as the most economical way of handling the situation.

Ford Not Planning a Maritime Plant

SYDNEY.—Henry Ford has no intention of establishing a Maritime branch factory at Sydney, or any other eastern Canadian point in the near future. This information has been received by business men who wrote the flivver king with reference to a report in circulation some time ago that he proposed to take advantage of the presence of an adequate steel supply from the Besco mills to manufacture cars for the eastern trade in this city.

Big Deal in Virgin Timber Land in N.B.

ST. JOHN.—A business transaction of considerable importance has taken place in Weymouth when the large timber holdings of the Stenelin estate passed into the hands of the New France Lumber Company, a St. John syndicate headed by H. W. Schofield as president.

This valuable timber property is considered to be the largest holding of virgin timber in the Lower Provinces and consists of upward of 10,000 acres on which it is estimated there are from 80,000,000 to 100,000,000 feet of marketable lumber. It has been practically untouched by the axe and there have been no fires in the limits.

LUMBERMEN COMBAT COMPENSATION RATES

Want the Right to Provide for Their Workers from Their Own Funds

From Our Own Correspondent.

ST. JOHN.—The increase in rates announced by the Workman's Compensation Board of New Brunswick, on lumbering and pulp and paper industries in New Brunswick will be vigorously combatted. The New Brunswick Lumbermen's Association is now taking steps to interview the provincial government in an effort to have the increase rescinded. The lumbering and pulp and paper companies were expecting a reduction rather than increases in the rates.

The New Brunswick Workman's Compensation Board has disregarded the lumbering and pulp and paper industries in the past. From an economic standpoint the system is unsound, according to employers, and is placing capital at a decided disadvantage. The New Brunswick Lumbermen's Association is also desirous of securing recognition of company compensation systems by the board, with reduction in rates to companies maintaining these company systems, of which there are a number in New Brunswick.

MAKING SETTLERS OF HARVEST HANDS

Effective Work Being Done By Various Organized Bodies At Lethbridge

From Our Own Correspondent.

LETHBRIDGE.—The Old Country harvesters that have arrived in Lethbridge recently are a particularly good type of men. Though most of them are inexperienced in agriculture, they have adapted themselves readily to the work in the fields and it is hoped that many of them will avail themselves of The Farm Workers' Home Allotment plan and settle permanently in the Lethbridge Northern Irrigation District.

Confronted with the fact that the harvest was not quite ready to absorb the first contingent of 500 to arrive, the Board of Trade, Employment Bureau and Irrigation Council soon got machinery in motion to see that the men were made comfortable. Aside from the casual employment which they have come to do, it is recognized that the chief value of these Old Country excursions is in the opportunity to convert the men into permanent settlers. To this end, therefore, as many as possible were given special trips through the irrigated areas. Later, a chain call was organized over the rural telephone lines and every farmer for miles around was urged to take every possible man on a boarding basis until the binders got into action. Five hundred were placed in this way during the first two days and a record of 800 placements effected during the week.

The drive was well organized, and later when a representative of the Provincial Colonization Branch visited the men in the field, they expressed themselves as well satisfied with their treatment and with conditions generally.

COMPANY OPPOSING MUNICIPAL PLANT

Question of Competitive Power Distribution at St. John Taken to Courts

From Our Own Correspondent.

ST. JOHN.—The controversy between the city council of St. John, N.B., and the New Brunswick Power Company is waxing warm again. The company has taken to the courts the question of the competitive distribution system, claiming the erection of the municipal distribution system is a menace to the public and to the company. The claim is made that in over one hundred instances there is interference with the wires and poles owned by the company. The company is seeking an injunction to prevent further construction of the civic system.

Officers of the Federal Light and Traction Company, owners of the New Brunswick Power Company, are at present in St. John, including E. N. Sanderson of New York City. Reports of a possible agreement between the city council and the company on the price of purchase of the company's property are once more revived, coincident with the arrival of the company officials.

ALBERTA GRAIN GROWERS SIGN UP POOL CONTRACTS

Friction Developed, But the Scheme Still Going Ahead

From Our Own Correspondent.

EDMONTON. — The campaign for farmers' contracts in connection with the newly-organized co-operative wheat marketing scheme is now practically completed. Under the terms of organization at least fifty per cent. of last year's wheat acreage must be signed up by September 5, and it is quite certain that that figure is already considerably exceeded. There will likely be about seventy per cent. of the entire acreage in the province finally under contract.

The farmers have taken up with the project in a most enthusiastic way. They have been eager to get the printed contracts, of which over 115,000 have been sent out for distribution, and reports from all parts of the province are to the effect that they are working hard to ensure the success of the scheme, which is to go under the business name of the Alberta Co-operative Wheat Producers, Limited.

As soon as the total acreage under contract is known, steps will be taken to secure the needed elevator accommodation. There will be an increased total storage space available in Alberta this fall, for a number of new elevators are being built, and if the percentage of farmers' contracts proves finally to be as large as anticipated there can be no doubt that the elevator people will find it to their advantage to do business with the pool.

A Joint Arrangement

It is proposed to put the collecting service of the co-operative scheme under the charge of an Alberta manager who will have his headquarters at Fort William, and in the event of the Saskatchewan and Manitoba pools also organizing, as expected, there will be a joint selling service under the direction of a marketing manager at Winnipeg.

That the scheme should go through without some hitches was hardly to be expected, and there have been some difficulties in the way of setting up the organization. One of the most serious of these was the withdrawal from the executive committee of three of its original members, who took the ground that contracts should not be signed up until the elevator accommodation had been arranged. This, they claimed, was the right procedure, in accordance with the Sapiro theories. On being consulted in the matter, however, Mr. Sapiro replied that the committee's action in first securing the contracts was entirely sound, though the arrangements for elevator space should not lag far behind.

BEST CUSTOMER OF CANADA IS STATES

Ever-increasing Demand For Lumber, Pulp and Paper Big Factor in Exports

From Our Own Correspondent.

OTTAWA.—On the business of the twelve months ending July 31, the United States has again shown itself to be Canada's best customer, the value of domestic exports thereto having been $402,156,000 as compared with $386,061,000 to the United Kingdom. If exports of domestic products were added, the total would be increased by about $15,000,000.

The reason why exports to the Republic are so large, and that in spite of the Fordney tariff, is because of the ever-increasing demand for lumber, pulp and paper, the value of these exports having been $214,517,000, as compared with $20,219,000 to the United Kingdom. Under the heading, agricultural and vegetable products, the showing stands $273,844,000 to the United Kingdom and $38,860,000 to the United States.

The British Empire during the last twelve months has bought $453,457,000, or about $99,000,000 more from Canada than it did during the preceding period. On the other hand, Canada has bought from the rest of the Empire about $42,000,000 more than during the preceding year. While this was going on, Canada increased her sales to the United States by $98,000,000 and increased her purchases therefrom by over $97,000,000. During the last year, trade with Germany almost doubled in value, the total of imports and exports having been $14,270,000, as compared with $7,500,000 for the preceding year.

In July, Germany was Canada's fourth best customer for wheat and wheat flour, coming after Great Britain, Italy and Belgium. She took 424,000 bushels of wheat and 65,522 barrels of flour. Flour was sold to 53 countries in that month.

Bisco Workers to Have Say in Things

The British Empire Steel Corporation is rapidly putting into effect its plans for the formation of "plant councils," also called the employers' representative plan.

Under this system employees will elect 36 representatives as a general works committee, and this committee will select five of its members to sit with five company officials in a smaller body, to be called the joint committee, which will have the final decision in disposing of grievances submitted. The first election of representatives is to held on August 29th and 30th.

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News and Views for Investors

TORONTO RAILS

There has been some buying of Toronto Rails of late. This seems to be based on the hope that the company and city may get together and agree on the adjustment of the arbitration award without further litigation. The stock is now selling around 80.

BROMPTON

The past two weeks has been marked by heavy trading in Brompton. The generally improved position of the company and the hopes that common dividends are in the offing has been responsible for the increased interest in the issue. Sales last week were 6,058 as compared with 7,838 the week previous the market price moving up from 40 to 43¾.

DOME

Dome shareholders are promised the added interest of the London Stock Exchange trading in their shares. The stock is to be listed in London as soon as the two for one share exchange is made. The listing of the stock in London was forcast at the last annual meeting. Now it is announced that the Dome treasury of 23,333 shares will be sold to London to provide the trading interest. At the present market this would put $816,655 in Dome's treasury.

CANADIAN CAR

It is reported that the Amherst plant of the Canadian Car and Foundry Co. has started work on order for 3,500 car wheels for the Canadian National Railways. This, it is said, represents two months work ahead, after having finished about 8,000 wheels for the C.N.R. Work on the last caboose of an order of 50 has been started and all will be concluded some time during September. Indications are that the Amherst plant will be kept reasonably busy during the winter months.

MILLING STOCKS

While all the milling companies are in much the same boat at present, one would hardly think so from the market action of these securities during the past week. Ogilvie after having lain dormant since Aug 6 when it sold at $275, came back with quite a demand and on transactions of 338 shares rose to 280. Lake of the Woods, which in the meantime had been selling at 168½, took a sudden drop to 162 on a sale of five shares. Maple Leaf which had been selling at 69 suddenly reacted to 60 on a sale of 41 shares.

WAYAGAMACK

Wayagamack manufactures a fine grade of tough kraft paper and never overlooks an opportunity to advertise that fact. Its annual reports are printed on its own paper. The circular offering its last bond issue was on Wayagamack kraft through the co-operation of the bond dealers handling the issue. The annual statement of the Wabasso Cotton, which has pretty much the same directorate and control as Wayagamack, is being sent out in an envelope on which is printed the words "This is a sample of Wayagamack pure kraft."

BRAZILIAN

Close to 20,000 shares of Brazilian Traction have changed hands during the past week. There have been many reasons advanced. Some say that the banking situation has forced a few blocks of shares on the market and that other stocks may expect something of the same. It seems strange that if such is the case Brazilian is the only one hit so far. There are many who lean strongly to the belief that the situation in Brazilian exchange is responsible. It may be that the company will consider it good business to withhold future dividends if the exchange continues as low as it has been for the past week.

HATTIE

The air has seemingly been cleared in regard to the Hattie deal. The matter is now out of the courts and mining men express the hope that it will stay out. Attention attracted to the case, however, has thrown some doubts around the Hattie property. The question is being asked if the property is all that has been claimed for it. Hattie is still very much of a prospect. There has been some talk of a mill but this was perhaps more for market consumption than anything else. About the best thing that could happen to Hattie now would be for the company to have some of the northern engineers of standing make a report on the property so as to show clearly just where the property stands. Until this is done the doubts which now surround the venture must continue.

GOODYEAR TIRE

Goodyear Tire preferred is now selling around 83 as compared with a high of 96 in June. It is stated that the condition of the tire market is responsible for the drop. The Goodyear concern has enjoyed a fairly good year. Efficient operation made a material hole in production costs and the export market developed excellently. However, there has been quite a change in the market and one American authority indicates that price cuts are in the offing. He writes: "The heavy burden of unsold tires is forcing manufacturers to curtail the scale of their operations, and another general reduction of sales prices is rumored for the immediate future. Inventory holdings at the end of June stood higher than at any time since the beginning of 1922. Retailers in this line, as in others, have been reluctant to overstock, in view of the price uncertainty."

WINNIPEG RAILWAY

The Winnipeg Street Railway reports gross earnings for the month of July amounting to $383,413, and operating income at $101,191. Fixed charges after deducting other income aggregated $78,698, leaving net earnings at $22,493, or $5,000 less than the total for July, 1922

The drop is attributed to business conditions now obtaining in Winnipeg. The comptroller stated that operating expenses, excluding taxes, were down approximately $18,000, but that there was a decrease in the gross earnings of the railway and gas utilities on account of unusual prevailing business conditions.

BANK SHARES ACTIVE

Close to 3,000 shares of bank stocks changed hands during the past week or more than double the week previous which immediately followed the Home Bank suspension. Trading in Bank of Hamilton and Royal Bank were the heaviest. The figures follow:

Banks—	Sales Last Ww.	This Wk.
Commerce	101	202
Dominion	156	148
Hamilton	190	624
Hochelaga	—	82
Imperial	196	246
Molsons	15	15
Montreal	103	90
Union	80	208
Nationale	172	16
Nova Scotia	10	637
Royal	113	639
Standard	156	300
Toronto	15	50
	1307	2987

UNLISTED SECURITIES

	Bid	Ask
Alta. Pac. Grain 7% prf.	92	95
Do., com.	105	112
British American Assur.	6.00	7.00
Can. Assoc. Goldfields	7	11
Can. Kirkland Gold	6	10
Canada Mortgage	65	..
Can. Westinghouse 8% c	128	133
Continental Life	108	..
Commercial Finance pfd.		
25% Bonus com.	62	70
Canada Machinery, pfd.	37	42
Canadian Marconi Wireless	1.25	1¾
Crown Life	90	..
Cockshutt Plow 7% pfd.	40	42
Canadian Oil Co., pfd.	..	98½
Do., com.	..	46
Collingwood Shpbld., com.	50	57
Cosgrave Breweries	5	6
Dom. Power & Trans. pf.	93	..
Do., com.	41	44
Dunlop Tire 7% pf.	82	85
Durant Motors of Canada	8	9
Dominion Mfg. pf.	52	..
Dominion Linens, pfd.	69	74
Do., com.	..	50
Dom. Sewer Pipe., com.	29	32
Eastern Theatres 7% pfd.	70	..
Do., com.	9	..
English Electric, pf.	..	70
Do., com.	..	13
Excelsior Life	51.50	
Farmers Dairy	51.00	
Famous Players, 7% pf.,		
50% com.	..	75
Gunns, Limited, 6% pfd.	29	33
Great West Life	214	..
Imperial Tobacco, com.	5½	7
Inter. Milling Co., pfd.	96	98
King Ed. Con., pfd. 30% c.	63	66
K. & S. Tire 7% pfd.	25	35
La Paz Oil	..	30c
Lambton Golf Club	450	500
Loew's Toronto, pf.	..	59
Do., com.	28	32
Loew's London, pfd.	4¼	5¼
Do., com.	1½	2
Loew's Buffalo, pfd.	50	..
Do., com.	.90	1¼
London Loan & Savings	46	51
Massey-Harris Co.	..	49
Mercantile Trust Co.	95	..
Manufacturers' Life 20% p.	55	..
Mount Royal Hotel, com.	19	22
N. Mexico Pwr. & Dev., c.	9	12
National Brick, pfd.	53	55
Do., com.	11	12½
National Life $25 paid	50.25	
N. Can. pwr. com.	50	65
Ont. Equit. Life (25+$10 paid)	23	30
Peoples Loan & Sav. Co.	60	..
Pantages, Hamilton 7% pfd.	30	..
Do., com.	..	2.50
Robertson P. L. Co.	15	25
Rolph Clark Stone, com.	15	..
Simpson Robt. 6% pfd.	91	..
Sovereign Life	18	..
Standard Clay Prod., com.	13	..
Sun Life Assurance	140	..
Toronto Brick Co., pfd.	75	..
Trust & Guarantee	75	78
Tiger Tire Units (1 p. 2 c.)	..	20
Western Grocers 7% pfd.	..	47
Whalen P. & P. Co., pfd.	17	19
Mortgage Discount Units	9	12
Western Assurance	6½	7½

MARKET SHOWS A BETTER TONE WITH INCREASED TRADING

Outlook for Fairly Good Fall Business is the Reason

MINES TAKE JUMP

Increased Activity in Many Issues—No Particular Boom in Market is Expected

There has been a firmer tone to the Canadian markets and a little improvement in trading during the past week. For the most part of the week the lists held fairly firm, but just at the close there came the increase in trading which brought about a betterment in the price of several issues. These for the most part were insignificant, but the feature was that the slightly buoyant feeling was manifest in most groups. Trading was at times fairly heavy, especially in some groups. The industrials and utilities showed the greatest weakness, while the latter groups also registered the most gains. The pulp and paper issues have been quite active but mostly in a narrow range. Trading in bank shares was twice as heavy as during the previous week when the Home Bank situation arose. The Bank of Hamilton deal with the Bank of Commerce provided quite a portion of the activity, yet all the banks showed an increase in transactions.

Some houses are looking for the market to show an improvement on the strength of a better fall trade. Others who agree with this can see no real bull market coming. They can see no justification for a boom and are suggesting to clients that they may take advantage of the activity to get rid of stocks which they do not desire to hold for a time.

Dealing with the trade outlook, which is bound to have some influence on the market, Hayden and Stone, of Boston, say:

> Probably the most encouraging feature of the week's news is the relative firmness in commodity prices. Buying is still on a restricted basis, but in spite of that grain and cotton have been strong, raw sugar has held its own, and there are evidences of a better demand for steel, copper and zinc. Petroleum products, to be sure, have been noticeably weak, but there production continues considerably in excess of consumption. The California fields give no sign of diminishing output and since consumption is undoubtedly at the peak now, some further reductions in oil prices are quite possible. But in the majority of cases there has been no overproduction. Price declines have been due to a temporary let-up in demand. A reviving demand based on the normal fall increase in industrial activity might easily bring about a material advance in commodity prices.

Moody's Review deals with the possibility of a boom on the strength of the increased trade which they record as being the feature of the past week. They believe that the better tone of the market is due to this fact. They size up the situation as follows:

> "Two outstanding points in the trade situation are, first, that no protracted boom from this level seems practically possible," says Moody's Weekly Review of financial conditions, "because we are already so close to the ceiling of prosperity and, second, that a rebound or temporary recovery founded upon the autumn trade does seem distinctly possible.
>
> "Investors, then, may well be rather deliberate in disposing of, or exchanging unstable stocks and bonds which they do not desire to hold permanently. Perhaps they can obtain somewhat better prices for them a little later; and there should not be much risk in holding for a few weeks, since the autumn trade which underlies the better tone of the stock market is just in its beginning.

Nearly half the stocks on the Canadian exchanges remain unchanged after the week's trading, as evidenced by the following table dealing with 71 common stocks. The figures:

	Total	Gains	Loss	Unchang'd
Paper	10	2	4	4
Industrial	14	4	2	8
Specialties	11	3	2	6
Traction	8	1	4	3
Utilities	12	4	6	2
Steel	3	0	1	2
Textiles	8	1	2	5
Milling	5	2	2	1
	71	17	23	31

TORONTO.—The week's trading closed with a fairly nice little burst of activity. Tractions and paper groups have provided quite a portion of the trading but the eyes of the whole street have been on the bank stocks and these provided quite a quantity of the trading. The mining shares were fairly active also on the Toronto exchange. The week closed with a firmness, slight though it was, perceptible throughout the whole list.

The mining market seems to be out to discount a better market which the brokers on the Standard are predicting for September. The trading at the close of the week was much more active than in the earlier part and substantial increases in the quotations of many issues were recorded. The clearing of the air of the Hattie injunctions has helped the situation.

MONTREAL.—The head of a local investment house states that the various banking announcements have had a gravely unsettling influence among investors who are only with difficulty persuaded to enter into new commitments. "Many people fear that these announcements foreshadow business and national difficulties of a serious nature and they do not desire to tie themselves up with anything but the most liquid securities. This rather hazy feeling of uncertainty is emphasized by the 'Whisper of Death' campaign and the pessimism of many people."

This investment house is pointing out to its clients that the reduction in the reserves of the Standard and Union Banks and the suspension of the Home Bank are in no sense a reflection of present business or financial conditions in Canada. Rather they are the result of the depression that began about two years ago and which is now nearing an end. The banks suffered losses at that time. Due to the time it takes to work such matters out, the banks could only now adjust their positions to care for their losses. The big loss of the Home Bank for instance was in a concern that went under in May, 1921, more than two years before the bank suspended payments.

Waited for Bank Act?

Another factor that was also responsible to some degree for the failure to make these announcements until the present time was the revision of the bank act this year. The banks, this investment house points out, might have made arrangements to publicly care for their losses a year ago or more if the bank act revision had not been imminent. But the banks desired to keep up a bold front to prevent misunderstanding on the part of the semi-socialistic group in Parliament and to get the bank act continued as nearly as possible along former lines.

"We sell our clients on Canada first. Then we sell them our securities," said the bond dealer to THE FINANCIAL POST.

In the case of the Bank of Hamilton, however, the high price the shareholders are likely to receive for their holdings is taken as indicative of no lack of fundamental soundness in the institution. In fact the better informed business men clearly distinguish between suspension or reductions of reserves and the mergers that are in the air.

Banking matters have been hanging over the stock market. One other Montreal bank has been widely discussed of late and there have been rumours of an announcement from this bank of a reduction of its published reserves. It is now learned definitely that all possible losses of this institution have been met from the ordinary sources inside the bank without touching the published reserves.

A somewhat cautious note continues among investors but it was noticeable that the sounder securities on the exchange have held up very well and some, such for instance as Montreal Power, continue to advance at a moderate pace.

New Cheque Tax Stamps Are Now Available

MONTREAL. — The new excise stamps to be used for cheques and bills of exchange after October 1st are available. They are of a bright shade of blue with the figure "2" or "4" or other denomination in bold lettering.

The post office will not handle these stamps which are obtainable at the offices of the department of inland revenue in the various cities throughout the country. The banks however will probably be the source of supply for most individuals and business firms.

LOAN AND TRUST COMPANIES SHOW INCREASES, 1922

Look For Big Demand For Mortgages From Institutions

The annual report for 1922 submitted by V. Evan Gray, Registrar of Loan Corporations for Ontario, expresses satisfaction in the substantial progress made in the re-adjustment of low corporations to post-war conditions. In the introductory letter, the Registrar says in part:

> The total of mortgage investments of loan corporations and loaning land corporations, as shown by these summaries, now amounts to $145,737,691, an increase over the preceding year of $585,479. This increase would have been larger by more than $2,000,000 if it had not been for the fact that the Credit Foncier (Franco-Canadien) has continued its policy of withdrawing its mortgage investments from Canada for the purpose of redeeming debentures payable in France.

For the first year since 1914 there is a substantial increase in the debentures payable abroad, this being approximately $2,380,000 in 1922. An increase of $2,400,000 in the debentures payable in Canada is also recorded.

The deposits of loan and trust companies increased about $2,000,000 and the estates trusts and agency funds of the latter increased more than $85,000,000.

The report comments on the sound basis of business in 1923, as follows:

> "During the year 1923 mortgage lending by loan corporations has been more restricted than in the preceding year. This is not due to any scarcity of supply of moneys, but rather to a conservative policy adopted by the companies generally. Funds have been freely available for completed and occupied properties, but it is well understood that the demand for mortgage moneys comes chiefly in respect of new buildings. The policy of the loan companies toward building loans in urban districts seems to have been predicated upon a situation in which building costs had appreciably advanced over last year's standards while selling prices were lower and buyers fewer. In other words the companies have apparently concluded that the time is not opportune for encouraging speculative building. Accordingly, notwithstanding the accumulation of mortgage funds available, the rate of interest on urban mortgages in Ontario has continued firm. The prevailing rate on completed properties in Toronto is 7 per cent. per annum, and upon building loans 7½ per cent. per annum, with no very definite prospect of a reduction in rate before the end of the present calendar year. During 1923 the life insurance companies, and particularly certain United States insurance companies, have been surveying the Ontario field for mortgage investments, and substantial sums have already been made available through local agencies. The prospect is that there will be an important accretion of the supply of mortgage moneys from those sources in the near future. This, however, has not yet been felt as an important element in competition with loan companies for mortgage loans."

Lieutenant-Colonel E. Ibbotson Leonard, president of E. Leonard & Sons, has been selected by the directors of the Canada Trust Company.

New Issue

$1,500,000
Ottawa & Hull
Power Company, Limited
7% Cumulative
Preferred Stock
(with a bonus of Common Stock)
Free of Normal Income Tax

This prosperous Company has two Hydro-Electric Plants at Chaudiere Falls on the Ottawa River between the cities of Ottawa and Hull, with a capacity of 40,000 H.P. For future development the Company controls a power site capable of developing 60,000 H.P.

The Company serves an important manufacturing district, one of Canada's centres of lumber, pulp and paper industries where the demand for electric power is steadily growing. Its capitalization per H.P. is unusually low. Total interest and dividend bearing securities amount to only $100 per H.P.

The record of earnings has been steady and entirely adequate, while with the extension of properties made possible with this issue, even more profitable operation is assured.

Write for full details of this attractive offering.

NESBITT, THOMSON
and Company, Limited

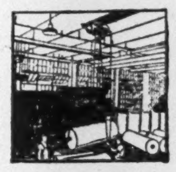
305-7 Bank of Hamilton Bldg., Toronto
Montreal Hamilton Winnipeg
London, Ont.

265

Bank Reserves Are to Take Care of Losses

In connection with the Bank of Commerce announcement of the merger with the Bank of Hamilton, Sir Edmund Walker made some interesting remarks regarding reserve funds and what they are for, and particularly in reference to "hidden" or "inside" reserves:

> I might explain that a bank sets aside an additional amount of money to that shown in the published rest fund, which is sometimes known as the "inside reserve." This is used to meet readjustments in the valuation of the bank's assets. When the inside reserve is not adequate for this purpose, it is the part of courage and common sense to make use of the "outside reserve" fund, which is primarily set apart for the purpose.
>
> In banking, as in other lines of business, provision is made for lean times. A bank sets aside a reserve fund expressly to meet adverse conditions. That is the purpose for which such a fund is held. It is the part of good business to use these reserves to correct a situation which inevitably results from a time of business stress. Such action was taken recently in the case of the Standard Bank of Canada. There was nothing unusual about such action. It was perfectly normal, and should be accepted as a matter of course.



100 Mills—
$400,000,000

In Canada, the business of making wood-pulp and paper of various kinds, represents an investment of close to $400,000,000 and it is the most important single manufacturing industry we have. In the capital invested it leads any other industry; in the annual value of the products it is rapidly approaching first place; in the value of the products exported it is far ahead of any other industry.

Such an industry is bound to have an enormous purchasing power. Pulp and paper mills have put $350,000,000 into plant and equipment in the past ten years, over $100,000,000 of it in machinery alone. The purchases of new equipment and supplies for enlarged operations will continue to be upon a very broad scale.

The pulp and paper industry is a big market for many manufacturers and distributors. But it is a hard market to sell to. There are only 104 companies all told, as against more than 3,000 plants in the metal industries with an annual output below that of the pulp and paper industry and more than 1,250 milling establishments turning out about the same quantity of goods. The purchasing power of the pulp and paper industry is concentrated in the hands of a few important key men.

The Financial Post reaches a surprisingly large proportion of the leaders in the pulp and paper industry in Canada.

THE HEAD OF AN INDUSTRY

By the merit of its performances, by the magnitude of its operations, and by the progressive demand for its services, the Thompson-Starrett Company has come to be regarded as the titular head of the building industry.

THOMPSON-STARRETT Company, Limited

Building Construction

SPECIAL

We Offer

$10,000.00

WILLIAM DAVIES COMPANY

6%

1st Mortgage Bonds

DUE NOVEMBER 1st, 1942

Price 93½ to yield 6.60%

This Company is the largest packer of hog products in the British Empire and assets represent security of $4,000 behind every $1,000 bond outstanding.

Ask for circular

C.C.SMITH & COMPANY
Limited
Investment Bankers
17 St. John St. Montreal
PHONE · MAIN · 412

Collateral Certificates

These guarantee your credit, immediately assuring proper advances for carrying on your business.

Certificates are backed by old established institutions.

Write for Booklet
"Lessening Credit Losses."

MERCANTILE BONDS LIMITED
Temple Building,
BRANTFORD, ONT.

UNLISTED STOCKS

Will Buy

25 Loew's Buffalo Pfd.
100 Loew's Buffalo Com.
50 Loew's Windsor Pfd.
50 Loew's London, com.
100 Loew's London Pfd.
10,000 Can. Assoc. Goldfields.

Will Sell

100 Cosgrave Brewery.
25 K. & S. Pfd.
50 K. & S. Com.
3,000 K. & S. 7% Bonds.
25,000 Can. Assoc. Goldfields.

Accurate quotations maintained on all Government, Municipal and Corporation Bonds.

Continental Bond Corporation, Limited
302 BAY STREET, TORONTO
Adel. 3176-7

We Want a Salesman

who is able to close contracts with industrial presidents, Canadian, for our engineering services. Age 35 to 45. Our salary will be right for the right man.

BOX 97

To Offer Jamaica Public Service Preferred Issue

Following on the recent issue of $1,000,000 6½ per cent. bonds, which were sold by a Canadian syndicate, an issue of $550,000 7 per cent. cumulative preferred stock of the Jamaica Public Service Co. is being offered to investors. Dividends are payable quarterly on the stock in January, April, July and October. This is part of $750,000 authorized and has ahead of it $1,200,000 of bonds.

The stock is being offered at 95 to yield 7⅜ per cent.

CANADIAN PACIFIC

Another increase in net earnings is reported by the Canadian Pacific Railway in its statement of earnings and expenses for the month of July, 1923. Gross earnings, working expenses and net profits for the month of July, 1923, and for the seven months compare as follows:

July	1923	1922	Inc.
Gross.	$15,677,835	$14,463,834	$1,214,001
Wk. Ex.	13,607,801	12,501,926	1,105,875
Net . .	$ 2,070,034	$ 1,961,908	$ 108,125
Seven Months—			
Gross.	$96,523,328	$90,759,193	$5,764,135
Wk. Ex.	84,886,934	78,983,213	5,903,720
Net .	$11,636,394	$11,775,213	*$ 139,585

*Decrease.

INSURANCE PART OF GENERAL PLAN OF SAVING MONEY

Policies Should Fit in With Needs of the Estate

LIFE CONVENTION

Col. Rexford of Crown Trust Tells About Life Insurance Trusts, Now Being Created

From Our Own Correspondent.

MONTREAL.—A man's life insurance is after all only a part of his general scheme of saving, investing and creating an estate and should be considered in relation to all the other elements in looking out for the future. This seemed to be the dominant note running through the addresses at the convention of the Life Underwriters' Association of Canada in Montreal this week. Agents telling their experiences indicated that they had the most success when they sold a man, not merely a life insurance policy, but a plan to get on in the world and leave his family and business protected after his death. Life insurance always fitted into such a programme and care had to be exercised to choose the right form of life insurance for the purpose in view.

Relationship to Estate

This close relationship of life insurance to investments and estates has brought the trust companies into intimate contact with life insurance problems. This was discussed at some length in a very illuminating address by Lt.-Col. I. P. Rexford, general manager of the Crown Trust Company. "Admitting that every normal man desires to build up an estate, why is it that so few succeed in doing so?" asked Mr. Rexford. He suggested some reasons why so few men achieve financial independence. First is the fact that the ability to save is not easily acquired. The average man on a small salary puts off saving until he can get a larger income. This larger income usually brings about a higher standard of living and a man finds himself living up to his full income. A second reason why financial success is not more often achieved is the lack of knowledge on the part of the average man of how to conserve safely—to invest wisely. A third reason is the great inherent desire to "get rich quickly." Speculation is for the man with surplus capital; not the man with small savings. It is sound advice, said the speaker, to say that until a family man has accumulated the beginnings of a reasonable estate and has a reasonable amount of life insurance and some funds invested in the highest class of investments he has no right to speculate.

"Great estates may venture more,
But little boats should keep near
shore."

Fine for Small Man

Col. Rexford described life insurance as the best plan available for men of moderate means to fill their needs with respect to the creation and conservation of an estate. It is the only investment plan which creates immediately an estate for the benefits of the dependents in the event of the early death of the bread winner. It converts good intentions into value.

But it is essential to the proper arrangement of an estate that arrangements should be made to administer the funds that will be paid to the widow and other dependents when the policy becomes an estate.

A Will Needed Too

"Taking out life insurance doesn't make a man die any sooner nor does making a properly throughout will hasten death. Ample life insurance and a properly planned will to control and administer the funds are two of the greatest possible blessings to any widow and her family" said Col. Rexford. To meet the need for such proper administration trust companies are working out a life insurance trust plan. Under the life insurance trust plan the proceeds of all policies are payable or assigned to a trust company as trustee. The assured, of course pays the premium. An agreement is made between the trust company as trustee and the assured as owner providing for a gradual distribution of the proceeds of the policies or the safe investment of the proceeds and distribution of revenue only over a term of years, all according to a carefully thought out plan which the assured knows will suit the needs of the particular family. Col. Rexford further elucidated the advantages of the plan.

"A large sum in cash is not paid in a lump sum to a widow or to young sons and daughters who have no training or experience in handling monies. Money so received often encourages extravagances, is dissipated, or unwisely invested. It is well known that thoughtless expenditures are more easily made from money inherited than from money earned.

"A competent trustee thoroughly experienced in the investment of monies is charged with the responsibility of receiving the funds and investing them to advantage. The widow, or other heirs, are thereby relieved of business worries and anxieties, and are not open to the approaches of those who have a selfish interest in advising them how to make investments.

"It provides not only money for his heirs, but competent and experienced money management as well. It lends the strong arm of ripe experience and practical assistance to the widow and others unskilled in business practices. The most lasting benefits to the dependents are thereby assured.

"Rockefeller says: 'Money that comes without effort is seldom a blessing and often a curse.' The man who by creating a life insurance trust, providing for the payment of his life insurance to a competent trust company as trustee, and providing for a wise and careful handling of the proceeds of such insurance for the greatest benefit of his dependents, goes a long way towards avoiding the possibility of the money he leaves proving a curse to the members of his family.

"It is flexible. Under a carefully thought-out insurance trust, the trustee may be given discretion to pay over extra sums in case of serious illness or other emergency, to see to the education of minors, to withhold temporarily or permanently payments to any heirs who show tendencies to dissipate the funds or employ them unwisely. In other words, the trust company can be relied upon to supply the money management and supervision which the assured himself would have provided if he had lived.

"The benefit of the life insurance trust is within the reach of any man who can afford to carry one thousand dollars of life insurance and its advantages are just as important to the man who carries a million dollars life insurance. In addition to leaving the proceeds of his life insurance in a way that guarantees sound administration, he also leaves the financial affairs of his dependents in the care of a sound and trustworthy adviser.

"A still more recent development of the life insurance plan povides for the permanent deposit with the trust company, as trustee, of a block of securities, the revenue from which is employed towards paying the premiums on life insurance. The man of some means, by that plan, provides for the permanent maintenance of his insurance, without any worry about the detail of paying premiums, and under the agreement the proceeds of the policies when paid as a death claim, together with the securities themselves, are all administered and gradually distributed or employed in strict accordance with the plan outlined by the assured himself."

Business Insurance

Other speakers at the convention stressed similiar phases of life insurance. Beaudry Leman, general manager of La Banque d'Hochelaga, delivered in French an account of the banker's viewpoint to the well insured man. Franklin B. Ganse, a well-known American life insurance man, told the agents to sell policies to fit their clients. He told of his own experience in selling policies. He went to a prospect, usually a business man of means, and showed him weaknesses in the arrangement of his estate; pointed to places where he or his survivors could save a great deal of money on inheritance taxes, etc, by simple changes and from that point he proceeded in the natural sequence to the relation of life insurance to the estate. He found the method successful in selling insurance policies that were always greatly appreciated by the assured.

Business life insurance also came in for discussion. James C. Tory of the Sun Life, Beverly Robinson and Duncan Robinson of Toronto discussing the subject.

It was stated that an act of incorporation for the Life Underwriters Association was likely to be passed at the next session of the Federal Legislature. Approval was also expressed of the attempts of the various provinces to put into force insurance agents license that would have a tendency to eliminate from the business men "not equipped to give true life insurance service."

LARGE OIL CONCERN FOR PEACE RIVER

Keystone Will Take Over Assets of Peace River Petroleum

The Keystone Oil Co. has been organized by John Laycock and Co., Saskatoon, to operate large Peace River, Alberta, holdings. The concern will include in its assets Peace River Petroleum holdings and is endeavoring to interest the shareholders of that concern. Mr. Laycock has been operating in the Peace River for some time and as a result his concern is interested financially in the operations of several others. There are several wells drilled and one that is considered important has been capped. Later it will be shot. Not long ago an effort was made by someone to dynamite the cap.

Peace River Petroleum shareholders are offered the right to put their old shares on a live basis by buying certain shares, 50% of their holdings, in Keystone oil at 10 cents a share. The capitalization of the new concern is two million ten cent shares. A prospectus being sent out lists the holdings of the company as follows:

In addition to the assets of Peace River Petroleums Ltd. involving some 48,000 acres of leases, drilling machinery, equipment, real estate, buildings, etc., with a book value of around $75,000, 'Keystone' owns 1,000 acres of leases in the Peace River Field, and a one eighth royalty on 1,187 acres.

'Keystone' also owns 30,000 shares of the stock of the Albersas Oil Co. (Peace River) Ltd. The latter company is the largest shareholder in the Victory Oil Co., Ltd., and also owns considerable acreage and a drilling outfit and casing valued at $25,000.

Among the assets taken over from Peace River Petroleums, Ltd., is a royalty agreement on the 1,310 acres on which the 'Victory' well is being drilled. 'Keystone' will receive one eighth of all the oil or gas produced in the 'Victory' well, and from all other wells drilled on the 1,310 acres.

TWIN CITY

Twin City Rapid Transit Co., in its earnings statement for July shows gross income amounting to $148,068, or a decrease of $28,546 compared with the same month in 1922. After deducting interest on funded debt, etc., the net income amounted to $54,101 compared with $82,518 in 1922. Operating income at $1,043,078 declined by $32,300.

DIFFERENCE OF OPINIONS AS TO GREAT WEST LOAN

Valuation of Assets Are Protested by the Directors

WOULD FLOAT HOTEL

Directors Say They Built to Make it Possible to Dispose of This Property—Some Talk of Contest for Control

WINNIPEG.—The action of Superintendent Findlayson, of the Federal department of loans and trust companies, in writing down the assets of the Great West Permanent Loan Co. to the extent of $1,350,000 and making an adjustment of the surplus of the company, which wipes out a balance of $1,117,000 and leaves a deficit of over $1,000,000, is protested by the company; an appeal has been entered in the Exchequer Court against the valuations made.

There appears to be a marked difference of opinion between the management of the company and the department at Ottawa as to the value of the company's various properties, including the hotel in this city, and the prospects for ultimate success. Officers of the company say that a very trying period has been passed and that there are better times ahead. War conditions, they affirm, had a more depressing effect on Western Canada than on older portions of the Dominion, and, with moratoria and Soldiers' Relief Acts, many companies, unable to cope with the situation, were forced out of business. The Great West Permanent Loan, they state, notwithstanding these adverse conditions, has always met its obligations, and during the period of the war and up to the present time, has maintained large cash reserves and liquid securities to meet all and any contingencies which might arise and. generally, "has kept itself in a strong financial position."

Company officials claim that the concern is now in a stronger and better position than it has been for several years; some of the investments which have been of late more or less non-revenue producing are now bringing in a substantial revenue, and with improved prospects in view of the good crop, they regard the future with hope and confidence.

Was Hotel Good Business?

They declare that it was only good business to build the addition to the hotel. This cost about $750,000, and with the original loan of $350,000, arrears and deficits increases the total amount involved to about $1,750,000. The property was originally valued at $400,000 before the war, and the building, with only 60 rooms and large cafe accommodation, cost $660,000. The war came after the loan had been negotiated, and prohibition changed the proposition from a hotel to a rooming house. With only 60 rooms, heavy losses were sustained. The addition was built to increase the rooms to over 200 and the directors feel that it will be a success on this basis. As soon as arrangements can be made it is the intention to form a hotel company on a bond and stock basis and float the proposition. The directors explain that they are operating a mortgage company and do not care to be in the hotel business. The situation indicates that they never should have been.

Regarding real estate taken over on foreclosure of mortgage and materially written down by Superintendent Finlayson, the directors take the stand that this is showing an income return which justifies the valuation shown in the company's statement.

Regarding the company's appeal, it may be pointed out that the protest refers to valuations at the end of 1921. The later report, for 1922, recently dealt with, covers other transactions of a vital character as well, THE FINANCIAL POST is informed.

Some preliminary steps looking to a reorganization of the company have been reported from Winnipeg but no campaign has been launched as yet. In such an event there would undoubtedly be a spirited contest for control.—Editor.

WOULD ROB TENTH CONCILIATION ACT

Decision at Toronto Raises the Question of Jurisdiction of Federal Government

In a judgment which will have far-reaching effects if upheld, Mr. Justice Orde has sustained the argument of the Toronto Hydro-Electric Commission who sought an injunction restraining the Board of Conciliation appointed by the Federal Department of Labor from proceeding with its work of hearing the dispute between the commission and a number of its employees.

In the important feature of the judgment, that which robs the Board of Conciliation of its compulsory powers, his Lordship stated:

"The injunction, I think, ought not to go further than this: the government should be restrained from in any way interfering with the business of the plaintiff; that they are not at liberty and are to have no power to enter upon the premises of the plaintiffs or to examine their works or to exercise any of those powers which section 38 of the Industrial Disputes Act gives them, nor have they power to enforce attendance of witnesses or the production of books, papers or other documents by the order of the board from anyone who chooses to withhold them."

IMPERIAL BANK OF CANADA

Quarterly Statement of Assets and Liabilities—31st July, 1923

(Condensed From Government Return)

ASSETS

Dominion Government Notes and Specie	$10,802,571	
Deposit in Gold Reserves	4,502,533	
Notes and Cheques of Other Banks	6,298,918	
Deposits With Other Banks	2,232,399	$23,836,421
Dominion and Provincial Government Securities	13,938,454	
Municipal and Other Approved Securities	5,051,721	
Loans to Provincial Governments and Municipalities	5,354,045	24,344,220
Immediately Available Assets		$48,180,641
Other Loans, Advances and Assets (Estimated losses provided for)		64,684,854
Bank Premises		5,626,821
Customers' Liabilities under Letters of Credit (per contra)		119,082
		$118,611,398

LIABILITIES

Deposits	$91,739,421
Deposits by Other Banks	1,332,705
Notes in Circulation	9,836,851
Acceptances under Letters of Credit (per contra)	119,082
Paid Up Capital, Reserve Fund and Undivided Profits	15,583,339
	$118,611,398

PELEG HOWLAND, President. A. E. PHIPPS, General Manager.

STOCK MOVEMENTS OF THE WEEK

Week Ending August 28

Banks—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	191¾	189½	191	190	190	202
Dominion	12	—	188	188	187½	188	148
Hamilton	12	160	155	160	147	159¾	624
Hochelaga	10	—	146½	147	146½	147	82
Imperial	12	—	170	171	168	170¼	246
Molsons	12	162	—	160	160	160	15
Montreal	12	—	235	236	235	236	90
Nationale	6	100	99	100	99	99	16
Nova Scotia	16	258	—	258½	256	256	367
Royal	12	219	218	220½	218	218½	639
Standard	14	171	170	170⅛	170	170	300
Toronto	12	—	180	180	180	180	30
Union	8	—	110	114	111½	111¾	208
Industrials, Utilities, Etc.—							
Abitibi, com.	4	66	65½	66	65¼	65¼	2774
Amer. Salesbook com.	4	40	36	36	36	36	8
Do., pref.	7	91	90	91½	91½	91½	10
Asbestos Corp., com.	6	51	50	50½	50	50½	150
Atlantic Sugar, com.	—	17	16	17	15½	16	220
Barcelona Traction	—	16½	15	16	16	16	27
Bell Telephone	8	122¾	122½	122½	122	122½	279
B. C. Fishing	—	16	13	16	13	13	25
Brazilian Traction	4	41½	41¼	45½	39⅛	41	14210
B. E. Steel, com.	—	7½	6½	6½	6	6½	200
D., 1st pref.	7	64½	64	64½	64	64	195
Do., 2nd pref.	—	18¾	18	19	18	18	214
Brompton Pulp	—	43½	43	43¼	40¾	43¼	6058
Burt, F. N., com.	10	127	125	126½	125	125	20
Do., pref.	7	125	—	125	125	125	15
Canada Bread, pref.	7	93	92½	93	92¾	93	61
Can. Car & Foundry, pref.	—	75½	74¾	76	75	75	105
Canada Cement, com.	6	84	83	83¾	81¾	83¾	575
Do., pref.	7	—	102	103½	102¾	103	61
Canada Steamships, com.	—	16	15	15	14	15	205
Do., pref.	—	48	47½	48	47½	48	335
Can. Converters	7	90	—	90	90	90	22
Can. Cottons, com.	8	107	105¾	108	106½	106½	60
Do., pref.	6	—	90	90	86	90	7
Can. General Electric, com.	6	102	101	101	100½	101	172
Do., pref.	7	—	107	107	107	107	5
Can. Locomotive, pref.	7	95	—	94⅜	94¼	94⅜	15
Can. Pacific Railway	10	150	149	150	148	148	211
City Dairy, pref.	7	104	102	104	102	102	30
Consumers Gas	10	—	158½	159½	157½	159½	96
Cuban Can. Sugar, com.	—	4¼	4	4	4	4	250
Do., pref.	--	—	25	25	25	25	25
Detroit United Railway	6	69½	68¼	70	69¼	69¼	216
Dominion Bridge	4	—	64	64	64	64	15
Dom. Conners, pref.	7	84	83	83	83	83	21
Dominion Glass, com.	7	97	96½	97	95	97	270
Do., pref.	7	105	104	104	104	104	70
Dom. Steel Corp., pref.	6	75	74	74½	74½	74½	3
Dom. Textile, com.	4	65	63	64	62½	63	315
Do., pref.	7	—	110½	110½	110½	110½	29
Duluth Superior	—	39	38½	38⅞	38	38⅝	55
Eastern Theatres, com.	7	10	—	9	9	9	4
Illinois Traction, pref.	6	91	90	90½	89½	90⅜	216
Intercolonial Coal, com.	8	—	—	80	80	80	22
Kaministiquia Power	8	—	120	122	122	122	10
King Edward Hotel, com.	10	45	—	42½	42½	42½	5
Lake of Woods Milling, com.	12	165	160	168½	162	162	15
Do., pref.	7	—	118	118¼	118¼	118¼	3
Laurentide Paper	6	96	95½	97⅝	95½	96	705
Lyall Construction	—	22	21	21	21	21	75
Macdonald, A.	—	8	5	5	5	5	50
Mackay, com.	7	113	112	113	111½	112½	408
Do., pref.	4	68	67	68	67	67½	122
Maple Leaf Milling, com.	8	65	60	69	60	60	41
Do., pref.	7	85	84	86	84	84	82
Monarch Knitting, pref.	7	81	80	80½	80½	80½	15
Montreal Cottons, pref.	7	108	—	107	107	107	20
Montreal Light, Heat, Cons.	6	124	123½	124½	120½	124⅛	3794
Montreal Telegraph	8	53	52	52½	52½	52½	9
Montreal Tramways	10	144½	143	144½	144½	144½	6
National Breweries, com.	4	50	49¾	50¾	49	50¾	537
Do., pref.	7	97	—	96	95⅞	95⅞	35
Ogilvie Flour, com.	12	—	275	280	280	280	33
Do., pref.	7	117½	117	117½	117½	117½	5
Pacific Burt, pref.	7	102	—	100	100	100	8
Penmans, pref.	6	—	98	99	98½	98½	55
Porto Rico Rlys., com.	—	20	15	15	15	15	40
Price Bros.	2	43	—	43	42	42½	125
Quebec Power	—	80	79	81	80	80	225
Quebec Railway	—	19¼	18½	20⅛	19	19	2758
Riordon, com.	—	3	2	2¼	2¼	2¼	35
Rogers, Wm., pref.	7	—	85	90	90	90	10
Shawinigan Water & Power	7	117	116½	117½	116½	116½	107
Sherwin Williams, com.	6	110½	—	110	110	110	5
Do., pref.	7	—	100	100	100	100	5
Spanish River Pulp, com.	7	91¼	89¾	92	90	90	1112
Do., pref.	7	—	98¾	99½	98½	99½	1005
Smith, Howard, Paper, com.	6	73	—	73	73	73	135
Do., pref.	8	102	—	102½	102	102	20
Steel of Canada, com.	7	70	68¼	70	68½	68½	245
Do., pref.	7	100¼	99¾	100½	100	100	30
St. Lawrence Flour, com.	6	55½	52	53	49¼	52	620
Toronto Railway	—	79	78¼	78½	73½	78½	420
Tuckett Tobacco, com.	4	51	—	49	49	49	25
Do., pref.	7	93¼	—	91½	91½	91½	5
Twin City, com.	6	70	69½	70	69	69	276
Wayagamack	—	47	—	47	46½	46½	135
Winnipeg Electric, com.	—	33	32	33	32½	32½	255
Do., pref.	7	86½	85	85⅜	84½	85⅜	20
Woods Mfg., com.	8	55	—	55	55	55	20
Can. Permanent	12	—	187	187	185	187	29
Huron & Erie	7	—	118	118	118	118	1
Montreal Loan	12	46	—	46	46	46	15
National Trust	12	204	195	205	199	199	53

Oscar Hudson & Company
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Manager
Assignments, Liquidations, Collections, etc.
32 Church St. Toronto

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Crop Returns Are Generally Satisfactory

Agricultural conditions in Ontario, Quebec and the Maritime provinces are reported by the Bank of Montreal as follows:

QUEBEC—Grain, generally, of good appearance, but ripening retarded by unseasonable weather, and in some sections oats lodged by heavy rains and wind. In the Laurentian and Ottawa Valley district cutting of oats commenced, average yield estimated. Roots late but generally doing well, good crop anticipated, especially potatoes.

ONTARIO.—The yield of fall wheat is above the average and the quality good. Spring grains now being harvested. Corn has improved and a good crop is now assured. Fall and winter apples promise well. Roots are making good progress. Pasture lands are still dried up.

NEW BRUNSWICK.—St. John Valley hay crop below average. Potatoes are doing well and a good clean crop is looked for. In Northern districts hay and grass pasture are only fair. In the Eastern districts, crops are generally good.

NOVA SCOTIA. — Wheat continues favorable for all crops. Annapolis Valley, early fruit ripening well. Nova Scotia and Prince Edward Island have bumper hay crops.

BROKERS DEMAND PRIOR CLAIM FOR MARKED CHEQUES

Some Embarrassment Is Caused by Home Bank's Suspension

BANKERS DISAGREE

No Reason for Prior Claim, they Hold—Some Lessons From Other Countries' Experiences

From Our Own Correspondent.

MONTREAL.—The suspension of payments by the Home Bank has brought to light what investment bankers feel to be a weakness in banking procedure under the laws now in force in Canada. Cheques that have been marked by a bank before suspension, but not cashed, are found to rank only as an ordinary claim against the bank with no priority over other claims. Stock brokers, bond dealers and others who do business to a large extent on marked cheques are asking that the law be changed to allow their marked cheques to be considered as ranking prior to other claims and calls on the bank's assets.

Under the law at present bankers declare marked cheques have no priority.

How One Firm Was Hit

An instance may be quoted to indicate how the present system works out. This instance, by the way, was repeated a number of times when the Home Bank suspended payments. A broker in Montreal delivered $3,000 worth of securities and received a marked cheque for the amount. The cheque was on the Home Bank and before it could be finally presented to the Home Bank for payment the bank had suspended. The broker had no recourse against the firm that had drawn the cheque because it is understood that when a cheque is marked the money has been drawn from under the control of the man or firm whose signature appears on the cheque and that he has paid his bill in full. The broker found that he had merely a claim against the bank for $3,000—not against the firm that drew the cheque—and that he would have to wait until the bank's affairs were liquidated or payment resumed before he could collect anything on his $3,000 cheque. In case of liquidation he would receive only a pro rata share with other creditors.

Many Cheques Are Large

In this instance no serious consequences followed but brokerage and investment houses are dealing constantly in sums running up into the hundreds of thousands and the suspension of a bank after some large cheque had been marked would ruin some brokerage houses.

Brokerage houses are asking a clear statutory declaration that when a cheque has been marked that the sum of money represented by the marking must be considered as having been placed in trust for the payee and that his claim should therefore rank ahead of the claims of ordinary creditors of the bank.

In the meantime those who find themselves in such a position regarding the Home Bank are being advised to put their claims in the hands of their solicitors.

Bankers disagree entirely and hold that marked cheques have no right to priority.

An American Incident

The surprise with which brokerage and business people have learned that their marked cheques have no priority over other cheques reflects the comparative lack of difficulty of recent years in Canada's banking system. Such a problem has often faced American, British and foreign business firms. A prominent Canadian banker, who went through the panics of 1903 and 1907 as a banker in New York City, recalls that the same problem came up at that time. On one occasion he found himself holding a very large cheque—several hundreds of thousands of dollars—drawn by a large business concern on one of the city's banking institutions. One of his assistants was about to send out to get the cheque marked at the bank it was drawn on when the banker stopped him. "I'm afraid of that bank," he said. "The firm that drew this cheque is good for this amount." The next morning the failure of the bank was announced. The banker was able to collect the money from the drawer of the cheque; the loss was theirs. Had he allowed the cheque to be marked the loss would have been to his own institution.

Of course no drawer of a cheque can be held responsible for the payment of his bill when there has been unreasonable delay in presenting the cheque for payment.

Paying of Tax Bills

Continuance of the present system is likely to cause more caution to be exercised in the acceptance of marked cheques, a caution that the soundness of Canadian banking has seemed to make unnecessary. The person who accepts a marked cheque has no recourse against the drawer and in view of this, those dealing in marked cheques may exercise their right to discrimination between banks. Consider, for instance, city treasurers who are continuously taking in accepted cheques for taxes and water bills.

Last week a Montreal man paid his water bill but tendered the city a cheque on the Home Bank that was not marked. When the failure of the suspension of the Home Bank was announced the city returned the cheque to the drawer and demanded payment again. If the man had had the cheque marked, as the rules of the city provided, the city would have had no claim on him after the cheque was accepted in payment. Even in the present instance, if the tax-payer can prove that the city did not at the first opportunity deposit his cheque and collect from the bank the city may not be able to collect again. To which the city may reply that it was returning the cheque not because it was on a suspended bank but because it was not marked according to the rules of the city!

Most of the Shares of Canadian Banks Are Held in Canada

Royal, Commerce and Montreal Have Important Outside Holdings of Stock, But the Shareholders Lists On the Whole Have a Canadian Tone

From Our Own Correspondent.

MONTREAL.—Much less than any other class of finance or business in Canada has Canadian banking been influenced or supported by foreign capital. It has been, in the main, Canadian investors who have provided the funds for the operations of Canadian banks. Fire insurance in Canada is dominated by British and American capital. Industry is one-third American. Our governments have financed their ordinary operations to a considerable degree in London and New York. The railways have been built with money from abroad almost in their entirety. In banking there has been much outside capital but Canadians have financed their banks to a very considerable degree.

Canada's contribution to the banking of other nations is greater than the contribution of other countries to Canada's banking. Canadian banks dominate Newfoundland and the West Indies. Our banks have important interests in Mexico and Central America as well, and these investments perhaps represent a larger participation by Canadian banks in the finances and business of foreign countries than the share of ownership of foreign investors in Canadian banks.

More Than 50,000 Holders

Consideration of foreign investment in Canadian banks is of interest in view of recent developments. Losses have been sustained by investors in bank stocks many times since Confederation. At first these difficulties represented losses for foreign investors. The more recent events have hit Canadians almost exclusively. In many cases the investors have been estates; in others widows, small holders who had purchased the stock either at the time of issue or had inherited them when large estates were broken up. There are all told more than 50,000 investors interested in Canadian bank stocks, a large proportion of them Canadians.

The Canadian Bank of Commerce is one bank that has large holdings of its stock abroad. These shareholders have come into the bank in many ways. Most of its English shareholders are understood to have become interested in 1901 when the Bank of British Columbia was acquired for $2,000,000 in stock and a cash consideration. This was one of the banks that had been financed from the Old Country. To-day the Canadian Bank of Commerce has 150,000 shares of stock outstanding. Of these shares, 89,465 are held in Canada. Investors in the British Isles hold a total of 31,393 shares; investors in the United States, 27,185 shares, and foreign investors, 2,047 shares. But the Commerce is more cosmopolitan in the distribution of its stock than most Canadian banks.

Royal Has West Indian Holders

The Royal Bank has many hundreds of shares held in Cuba, Central America and the West Indies, where it has been operating for more than two decades. It has many British and American shareholders as well and its largest individual shareholder is a British Bank, the London County, Westminster and Parrs Bank, which bought 10,000 shares at $200 a share in 1919. Many Royal Bank shareholders became interested in the institution as a result of the absorption of various banks such as the Traders, the Northern Crown and Quebec banks.

The Imperial Bank is typical of the moderate-sized bank of the country. Of its 70,000 shares of stock outstanding,—Canadians hold 61,717 shares; British investors 3,998 shares, United States investors 3,489 shares and other foreign investors 796 shares. One of its largest shareholders is a large American insurance company, the Phoenix, of Hartford, which holds 479 shares.

The Standard Bank also is largely Canadian in ownership, Canadians owning 36,421 of the 40,000 shares. British investors hold 1,695 shares, American investors slightly more, or 1,753 shares, and other foreign investors 131 shares.

The Bank of Montreal's List

Canada's largest bank has naturally a large number of shareholders outside the country but its shareholders' list is very Canadian in its make up. The Bank of Montreal has outstanding a total of 272,500 shares of stock. Of this total, 216,216 shares are held in this country, 38,836 shares are held in Great Britain, 12,453 shares in the United States, and 4,995 shares in other countries. The British total of holdings is not high when it is considered that the Bank of Montreal purchased the Bank of British North America by the issuance of $3,075,000 Bank of Montreal stock.

The Bank of Nova Scotia's stock has remained to a very large degree in the Maritime provinces and in a smaller measure in Newfoundland. But it took over two Ontario banks and issued $3,700,000 of new stock in connection with these transactions, this stock getting rather broad distribution. The holdings are, however, essentially Canadian.

The Bank of Toronto is also almost completely owned in Canada, one Toronto family, the Gooderham's, holding about $850,000 of the bank's total stock issue of $5,000,000. The Dominion Bank is another bank financed almost entirely with Canadian money.

The Molsons Bank has more than 80 per cent. of its stock in Canada. Of the total amount outstanding, 40,000 shares, 34,328 shares are held in Canada, 4,317 shares in Great Britain, 1,162 shares in the United States and 193 shares in foreign countries.

Of the two Western banks, the Weyburn Security Bank has strong Minneapolis interests connected with it, but the Union Bank is understood to be largely Canadian in ownership.

The French-Canadian banks have had some support from France, but this has not altered the general Canadian tone of the holdings. La Banque Provinciale du Canada, for instance, has more than 2,000 shareholders and the capital stock is distributed 95 per cent. in the province of Quebec, 3 per cent. in the Maritime provinces and 2 per cent. in Ontario.

Foreign Banking Investments

There was at one time a large French investment in the La Banque Internationale and a late Canadian financier interested Paris capital in the institution to the extent of $7,500,000. The bank was unsuccessful, however, and its assets were purchased by the Home Bank, which issued $500,000 of its stock for the purpose. One Canadian bank had a substantial German interest in it before the war. The Dresdner Bank put $2,000,000 in the Sovereign Bank, which was unsuccessful although it paid note holders and depositors in full through the intervention of other banks. An echo of this is the holding of 500 shares of Home Bank stock by the estate of Senator Rodolphe Forget.

On the whole, though, Canadians have built their banking structure with their own brains and cash, borrowing only the skeleton model of the system itself from the banks of Scotland.

INFORMATION ON MACKAY CONCERN IS VERY MEAGRE

The Position of the Subsidiary Companies Never Shown

NEW YORK.—The most remarkable fact about the Mackay Companies is the meagreness of the information concerning that "voluntary association" which has never been made public, says Barron's Weekly. The organization holds the stock of the companies comprising the Postal Telegraph-Commercial Cable system. It cables are more formidable competitors of Western Union than its land lines.

The organization publishes annually a balance sheet showing "investments" and a small balance of cash as sole assets and $91,380,000 preferred and common stocks and a small balance of surplus as the only liabilities. The true position of subsidiary companies is never disclosed. In the same way the annual income statement reveals merely the income received by the parent organization from subsidiaries, never the actual earnings of the operating companies.

Judging from the record of the Mackay Companies its career must have been prosperous. Organized in 1903, dividends on the $50,000,000 4% preferred were inaugurated in 1904. In the following year common dividends were inaugurated and the rate gradually but steadily increased to the present figure of 7%. On January 2 last an extra dividend of $10 was paid. No new financing has been required to supply funds for the Mackay Companies' expansion, which has been accomplished wholly out of earnings. This year, for example, between $10,000,000 and $15,000,000 is being spent on a new cable to England.

Commercial Cable Co. has $20,000,000 bonds and debenture stock outstanding. There is thus $70,000,00 bonds and preferred stock ahead of $41.380,000 Mackay common. This capital structure is not so favorable to shareholders as that of Western Union. $46,994.000 bonds ahead of $99.787.000 stock. Mackay's regular dividend rate, established eight months ago, is the same as that of Western Union, established in 1917.

Western Union publishes complete financial statements. Yet Mackay common at 106 bid is currently a trifle above Western Union, selling around that figure. Unless one prefers mystery to daylight, a switch to Western Union common would seem to be a movement in the direction of conservative investment.

ALBERTA'S BUTTER EXPORTS

CALGARY.—Alberta is third among the provinces of Canada in the quantity and value of butter produced last year, being beaten out by Ontario and Quebec. Alberta produced 15,417,070 pounds, valued at $5,126,844.

In the Lead

More ordinary Canadian Business in force than any other Company.

Greater gain in ordinary Canadian Business in force than any other Company.

The Great-West Life Assurance Company
Head Office Winnipeg

The Wabasso Cotton Company, Limited
THREE RIVERS, P. Q.
Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

CANADA PERMANENT MORTGAGE CORPORATION
QUARTERLY DIVIDEND
NOTICE IS HEREBY GIVEN that a Dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
MONDAY, THE FIRST DAY OF OCTOBER
next, to Shareholders of record at the close of business on the fifteenth day of September.
By order of the Board.
WALTER F. WATKINS, Secretary.
Toronto, August 22nd, 1923.

STOCKS AND BONDS
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THE Wabasso Cotton Company, Limited

Annual Report, 1923

DIRECTORS

W. G. E. Aird, Three Rivers, P.Q.
R. N. Ball, Woodstock, Ont.
Wm. I. Gear, Montreal, P.Q.
Wm. Harty, Jr., Kingston, Ont.
Hugh Mackay, K.C., Montreal, P.Q.
Jas. W. Pyke, Montreal, P.Q.
C. R. Whitehead, Three Rivers, P.Q.

OFFICERS

C. R. Whitehead, President.
Jas. W. Pyke, Vice-President.
Jas. R. Ritchie, Secretary-Treasurer.

MANAGER

W. G. E. Aird, Three Rivers, P.Q.

DIRECTORS REPORT TO THE SHAREHOLDERS

Gentlemen:—

Your Directors have pleasure in submitting herewith Balance Sheet as at 30th June, 1923, together with Profit and Loss Account, for the year ending that date.

The result of the year's operations is fully set forth in the appended Profit and Loss Account, from which it will be observed that, after making provision for all charges, including Bond Interest, and setting aside $100,000 for depreciation of Property and Plant, the net Profit amounted to $206,954.73. From this there have been paid during the year, dividends at the rate of Four Dollars ($4.00) per share, amounting to $140,000, and the balance of $66,954.73 has been added to the Surplus Account, which, exclusive of the General Reserve Account, now amounts to $613,110.35.

The Buildings for the Extension to your Plant are nearing completion. The Machinery is being delivered and everything points to the early operation of the Plant.

In submitting the Balance Sheet, your Directors feel that the results they are able to present should be very satisfactory to the Shareholders.

Respectfully submitted on behalf of the Directors.

(Sgd.) C. R. WHITEHEAD,
President.

Three Rivers, P.Q., July 18, 1923.

BALANCE SHEET

As at 30th June, 1923

ASSETS

Current Assets—			
Cash on Hand and in Bank		$ 40,522.62	
Victory Bonds, Call Loans, etc.		558,867.44	
Accounts Receivable, less Reserve for Bad and Doubtful Debts and Discount		284,698.93	
Inventories of Raw Cotton, Partly Manufacured, and Manufactured Stock Supplies, Chemicals, Fuel, etc.		400,771.91	
			$1,284,860.90
Property—			
Real Estate, Buildings, Plant, Machinery, etc.			2,166,714.69
Investments in Other Companies—			
Bonds of St. Maurice Valley Cotton Mills, Ltd., at Cost		45,270.43	
Bonds of Wabasso Cotton Company, Ltd., at Cost		36,653 75	
Bonds of Shawinigan Cotton Company, Ltd., at Cost		117,880.00	
Stock of Shawinigan Cotton Company, Ltd., at Cost		94,580.00	
Sundry Investments at Cost		16,220.00	
		$ 310,604.18	
Pledged as Collateral Security for $750,000, 20 year 7% Sinking Fund Mortgage and Collateral Trust Gold Bonds			
Bonds of St. Maurice Valley Cotton Mills, Ltd., at Cost	722,619.00		
12,500 Shares of $100.00 each of St. Maurice Valley Cotton Mills, Ltd. Common Stock, being the whole issue	$1,250,000.00	$1,972,619.00	
			$2,283,223.18
Deferred Charges—			
Bond Discount, Unexpired Insurance, Premiums and Taxes			66,535.30
			$5,801,334.07

LIABILITIES

Current Liabilities—			
Accounts Payable		$ 234,388.33	
Operating Expenses, Accrued Wages and Reserve for Business Profits and Income Taxes		197,941.64	
Bond Interest Accrued		12,830.00	
Unclaimed Wages		8,077.43	
Dividend Payable 2nd July, 1923		35,000.00	
Loan St. Maurice Valley Cotton Mills, Limited		131,234.37	
			$ 619,471.77
First Mortgage 6% Bonds, Due 1st June, 1947—			
Authorized and Issued		$1,000,000.00	
Less, Redeemed for Sinking Fund	$130,000.00		
Held in Treasury	19,000.00	149,000.00	
			851,000.00
Mortgage and Collateral Trust Sinking Fund 7% Bonds Due 1st May, 1942—			
Authorized and Issued		750,000.00	
Less, Redeemed for Sinking Fund		15,000.00	
			735,000.00
Reserve for Mortgage and Collateral Trust Sinking Fund			15,000.00
Reserve for Depreciation			717,751.95
Liabilities to Shareholders—			
Capital Stock—			
Authorized and Issued, 35,000 shares of no par value received by Shareholders in exchange for former Capital of 17,500 shares of $100.00 each		$1,750,000.00	
Surplus—			
General Reserve	$500,000.00		
Profit and Loss Account—			
Balance as per Statement attached	613,110.35	$1,113,110.35	
Total Liabilities to Shareholders			2,863,110.35
			$5,801,334.07

Contingent Liabilities—	
Bills under Discount	$205,241.06
Guarantee to Bank for advance to Oxford Knitting Company, Ltd.	75,000.00

Montreal, 18th July, 1923.

To the Shareholders of The Wabasso Cotton Company, Limited:—

We have examined and audited the Books and Accounts of The Wabasso Cotton Company, Limited, for the year ending 30th June, 1923, and beg to state that we have obtained all the information and explanations required by us, and, in our opinion, the accompanying Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of the information and explanations given to us, and as shown by the Books of the Company.

The various investments held by the Company have been verified by us by personal inspection, or by certificate from the depositaries.

The Inventories of Stock on hand have been certified by responsible Officials of the Company, and have been valued on a conservative basis.

JAS. W. PYKE,
R. N. BALL,
Directors.

RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A.,
Auditors.

PROFIT AND LOSS ACCOUNT

For the year ending 30th June, 1923

Profit for the year ending 30th June, 1923, after deducting all Manufacturing and other Charges and Expenses, also provision for Income War Tax, but before providing for Depreciation and Bond Interest		$303,177.19
Interest on Investments		113,699.79
		$416,876.98
Depreciation on Property and Plant	$100,000.00	
Bond Interest	94,922.25	
Sinking Fund	15,000.00	
		209,922.25
Net Profit		$206,954.73
Add Balance at Credit 30th June, 1922		546,155.62
		$753,110.35
Deduct Dividends for the year at the rate of $4.00 per share		140,000.00
Balance at Credit carried to Balance Sheet		$613,110.35

Canada Cement in a Position to Share in Canada's Growth

Its Plants are Producing Far Below Capacity Now, but Stock Is Selling at Good Level in Anticipation of Coming Expansion in Business

From Our Own Correspondent.

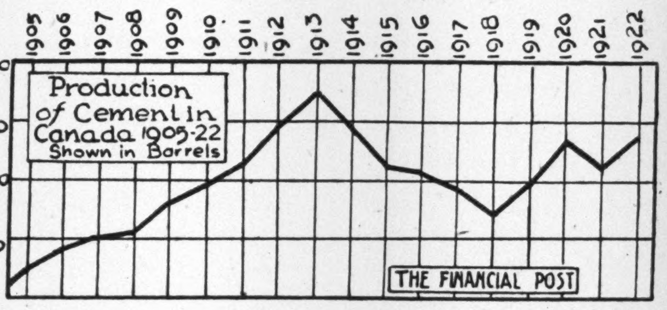
CEMENT SALES IN 1922

Total sales of cement in Canada during 1922 reached 6,943,972 barrels, exceeding the previous year's total sales by 1,191,087 barrels. The total mill output amounted to 6,447,696 barrels, a decrease of 1,960 barrels from the 1921 total. No puzzolan cement was produced during the year.

Ten plants operated during the year and twelve were idle.

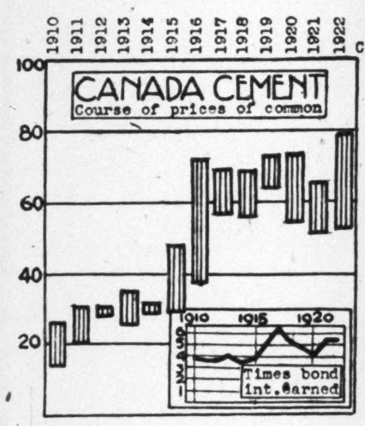
MONTREAL.—In the past five years Canada Cement has not earned the dividends it has paid during the same period. In four of these years earnings have been well below the dividend requirements and last year the common dividend was barely earned. Yet the stock recently sold at the highest price on record, 87½, which brought the yield on the present dividend down to below 7 per cent. This is one of the remarkable features in the history of Canada Cement, a company that is not without a number of such striking elements. The common stock is a bonus stock that has made good. When it was issued, less than fifteen years ago, it represented what some would call water and others would call intangible values. At the end of the last fiscal year the book value of the common stock was over par. It is a point of strength that reserves are strongly built. The company's properties have been well depreciated.

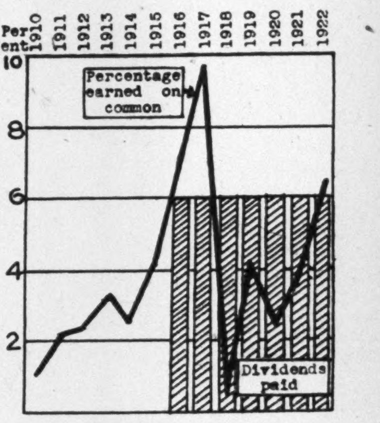
Evidently then, Canada Cement common stock is viewed as having possibilities much beyond the showings of the past few years. This is indeed the case. Canada Cement has suffered from the lack of development in Canada; the arrested growth of the war-time period and the time following. Consumption of cement in Canada in 1922 was only 62 per cent. of consumption of cement in the year 1913. And as the dominant producer in the Canadian cement industry the earning power of Canada Cement is apt to rise and fall with the consumption of cement in Canada. It has no longer any competition from foreign companies. Cement imports into Canada are not practically nil although in 1913 more than a million and a half barrels or about one sixth of the total consumption in the peak year of use were imported.



Industry is Over-Built

As Frank P. Jones, president of Canada Cement, expressed it some little time ago, the cement industry in Canada is like the railways; it is over built. This is seen in the fact that the mills of Canada Cement Company have a yearly capacity of 12,000,000 barrels of cement while the largest quantity of cement that all the mills in Canada put together produced in any one year was less than 8,700,000 barrels. Adding imports to this it is doubtful if consumption of cement in Canada ever got much above 10,000,000 barrels in any one year.





If the business is not to be had in Canada at the present time and if Canada Cement controls most of the cement business anyway, it will be seen that the investor in Canada Cement stock can count on a largely increased turnover for his company from only two sources; first, expansion of the country and secondly, export trade.

Canada Cement has gone after the export trade in cement and has made some progress, but is handicapped by the high freight rates out of Canadian ports. This end of the business is likely to become increasingly important.

When Canada Grows

It is in the growth of Canada that Canada Cement will find its larger markets. The largest single user of cement is the Canadian farmer. Every time an immigrant is put on the farms in Canada he becomes a potential customer of the company. The farm population has had its purchasing power cut considerably during the past few years and this has interfered somewhat with cement sales.

Much cement is used in construction work, building, highways, etc., and active development along these lines increases the earning power of the Canada Cement Company.

Taking these as the factor governing the consumption of cement in Canada and thus the earnings of this company it will be seen that now the outlook is for improved business conditions for the company. Agricultural immigration will increase sales to farms. Higher prices for farm products will have the same effect. The new highway policies of the provinces will mean larger sales for this purpose. A resumption of building and new construction on a pre-war scale would mean a tremendous boom in sales. Nothing like a boom is expected for this year or even next though a steady and healthy improvement is expected. The larger prosperity is undoubtedly in store for Canada Cement. That is what the movement of the stock has discounted to some extent and is likely to further discount by a gradual improvement in the market price of the security.

Canada Cement preferred ranks high as an investment stock. The bonds are highly rated and earnings on the bonds have always been several times interest requirements.

The common stock, now selling around 82, yields over 7 per cent. and in view of the probability of large scale development in Canada during the next few years has excellent possibilities.

Some comparative figures of earnings, etc., of Canada Cement during the past few years are given here:

Earnings Since 1915

	Net earn.	Surp. after divs. & res.
1915	$1,742,013	$551,963
1916	2,218,848	432,585
1917	2,861,247	484,181
1918	2,215,708	100,644
1919	1,907,969	*1,252,786
1920	1,552,251	*525,887
1921	1,820,931	*284,931
1922	2,403,100	39,118

Americans Continue Demand for Luxuries

Economy is apparently a forgotten word in the lexicon of American users of luxuries. An analysis of the recent census of manufactures, made by the Trade Record of The National City Bank of New York, shows that while the value of all manufactures produced in the United States in 1921 fell 30% below that of 1919 a large share of the articles classed as luxuries not only "held their own" but in many instances showed an actual increase. Out of the 450 articles or groups of articles enumerated by the census about 400 showed a decline in the value of the 1921 outturn when compared with that of 1919, and of the 50 articles which showed an increase about 60% were articles which may not improperly be classed as luxuries, while most of the remainder were articles required in the construction of new homes. Even among the articles which show an actual decline the fall off in articles of luxuries is less pronounced than in those of the ordinary requirements of daily life or industries of the country.

WHALEN PULP AND PAPER

The Whalen Pulp and Paper Mills, Ltd., has been operating its three mills at capacity during the past year, and has installed a complete oil-burning system in its mill at Port Alice, according to the president, Hon T. W. McGarry. It is expected that a meeting of the shareholders will be called at Vancouver in the near future, and President McGarry expects to leave shortly for the Pacific Coast.

NEW BRUNSWICK'S REVENUE

FREDERICTON.—Estimates of $1,000,000 of territorial revenue for the province of New Brunswick in 1923 will be fully realized by the end of the fiscal year on October 31, according to a statement made by the Minister of Lands and Mines. The minister further stated that indications point to a busy season in the woods during the coming fall and winter.

The SECURITY Afforded by Trust Companies to Investors

In these days of unrest and financial stress there is a comforting sense of security for those who have placed their savings with Trust Companies for investment, in the knowledge that these funds can only be invested in:

(1) First Mortgages on well selected real estate where the amount advanced is not greater than one-half of a conservative valuation.
(2) Securities of the Dominion or Provincial Governments.
(3) Carefully selected Municipal Debentures.

All of which are regarded by the courts as a safe channel for the funds of widows and orphans.

THE CAPITAL TRUST CORPORATION allows 4% interest on funds placed with it through its Savings Department and subject to withdrawal by cheque, and 5½% interest on sums of money of $200 or over placed with it for two years or longer on its term plan.

All Savings of every kind are received by this Corporation in trust for the investor, and are not held as the property of the Corporation. Trust companies are subjected to a very careful Government inspection and are required to show that they have set aside in Government bonds, Municipal debentures, first mortgages or cash, dollar for dollar to cover all moneys invested with them.

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Capital Trust Corporation

Head Office,
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OTTAWA, ONT.

Temple Building,
Bay and Richmond Sts.,
TORONTO, ONT.

35

A BOUNTIFUL CROP

Everybody is looking forward to increased business turnover in the West this fall.

Advertising will be used to influence this business.

The biggest acreage, the biggest yield, the biggest return—and the most *buying* will come from

SASKATCHEWAN

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23

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Advertising spreads the news of offerings, but Long Distance is depended upon to make the sales.

FRANK KENNEDY,

THE BELL TELEPHONE COMPANY OF CANADA
LONG DISTANCE TELEPHONE

Every Bell Telephone is a Long Distance Station.

HOUSES FOR EMPLOYEES

VANCOUVER.—The Powell River Company announces a new construction program, which will be undertaken immediately. Twenty-six houses, to cost $100,000, will be erected for accomodation of employees of the company. In addition to the above, improvements to the plant will be undertaken, at a cost of about $13,0

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We predict an active and advancing market, as development work progresses, on this attractive gold property, and value back of this stock increases.
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Gibson's Fortnightly Mining Review
will keep you in touch with the progress of development in Northern Ontario's mines. The current issue of this little publication contains information concerning
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Teck-Hughes Said to be in Lake Shore Ground

Teck-Hughes and Lake Shore underground workings have come together, one of the companies having crossed the line of the other. Full details are not as yet known, but it is understood that through some mistake the Teck-Hughes got 13 feet inside the Lake Shore boundary before the discovery was made. Lake Shore miners joined up the two workings while working near the western boundary of the property.

Events of this kind are not a frequent occurrence in the mining camps, but, on the other hand, are not rare. There are all kinds of chances that mistakes in reading survey plans or even making surveys will err just a trifle. Adjustments will likely follow.

MINING NEWS FOR THE INVESTOR

LORRAIN VALUES AT DIABASE AND KEEWATIN CONTACT

Government Geologist Submits Interesting Report on New Silver Camp

The productive part of the South Lorrain silver field occupies a comparatively small area, probably less than 100 acres, says Cyril W. Knight, of the provincial geological department, in his report on South Lorrain. To the end of the year 1922 South Lorrain had produced 4,339,984 ounces of silver. It occurs largely in the native state and is the most important mineral in the veins. Associated with the native silver are the following compounds of the metal—argentite, or silver sulphide; pyrargyrite, or ruby silver ore, the sulphantimonite of silver. Smaltite, the diarsenide of cobalt, and niccolite, the arsenide of nickel, are commonly found, together with their decomposition products "cobalt bloom" and nickel bloom. Other minerals also are found. It may be added that the veins are composed largely of calcite or dolomite, white or pink in color.

The productive veins occur along the top of the Nipissing diabase sill, both in the diabase and in the overlying Keewatin. In this respect the occurrence is similar to that at the Timiskaming and Beaver mines in Cobalt. The diabase occurs in the form of a great elongated dome, known as the South Lorrain dome, and the productive veins discovered up to the present time have been found on the northwest slope of the dome.

No ore has yet been found in the conglomerate and greywacké of the Cobalt series below the South Lorrain diabase dome. In Cobalt, on the other hand, the rocks below a similar dome, in the Kerr Lake-Giroux Lake section, have been highly productive, and such mines as the University, Lawson, Crown Reserve, Kerr Lake, and Drummond all occur below the diabase dome in rocks of the Cobalt series.

In Wood's vein, at the Keeley mine, pre-glacial weathering exists to a depth of at least 480 feet. The weathering has escaped glaciation, and is the only known occurrence of the kind in the entire Cobalt field. The upper part of Wood's vein has been leached and oxidized, and the wall rock has been changed to red and grey clay for a width of an inch or two to as much as seven or eight feet. The economic significance of pre-glacial weathering in Wood's vein may be important if it is proved that large quantities of secondary silver have been deposited at or near the bottom of the weathered and oxidized zone.

Shoots Are Short

Mr. Knight points out that Lorrain ore shoots are shorter than those of Cobalt. The most consistant shoot he found was vein 26 of the Keeley, 74 feet; "N" shoot, Wood's vein, is 198 ft. long and on the Crampton 102 ft. long. The Meyer shoot on the Tretheway Cobalt was 1,600 ft. long; O'Brien No. 1 vein stope 900 ft. and Kerr Lake No. 3 stope 400 ft. Mr. Knight comments that while these veins may not yet be proved to be as long as Cobalt's, some of them are very rich. He points to the values taken out of the Keeley drift on vein 26, 74 ft., producing 250,000 ounces with no stoping done; on the Crampton a shoot, 102 ft. long and an average height of 35 ft., produced 900,000 ounces to the end of April.

The faulting system of South Lorrain is believed to be a complex one. The two main faults are the Lake Timiskaming fault on the east, following the course of the lake, and the Montreal River fault on the west, following the general course of the river. The former strikes north and south, the latter southeastward, so that the two faults join about five miles south of the Keeley mine about at the point where the Montreal River enters Lake Timiskaming.

Between these two major faults it is believed that there are many minor faults, although the only one which has been positively proven to exist is Wood's fault with its small branch faults. The evidence for stating that many other faults exist is the presence of sharply defined valleys. If it is assumed, for the moment, that these valleys are fault valleys, then the number of faults between Lake Timiskaming and the Montreal River is great.

At the north end there is Maidens Creek Valley striking westward, a few degrees north of west. Running about at right angles to the Maidens Creek Valley are a number of valleys entering it from the south; one of these begins at the northeast corner of Trout Lake, and, striking about north-northeast, passes through the Wettlaufer claim, and then continues to the Maidens Valley, a total distance of two and a half miles. This fault may be called the Wettlaufer Valley fault. East of this there is probably another fault along the east arm of Loon Lake, which continues north-northeast to Maidens Valley. The Loon Lake fault appears to be exposed to view a few hundred yards south of the lake, where conglomerate is crushed into a rock similar to the fault breccia found in faults. This breccia is cemented by calcite, dolomite, or other carbonate.

Faults May Merge

Wood's fault has been proven to strike southward through the Frontier, Crompton, Keeley, and claim No. H.R. 103. It may join the Wettlaufer Valley fault at some point near the northeast corner of Trout Lake. Another fault, entering from the east from a little lake on H.R. 98, also seems to join Wood's at or near the point that the Wettlaufer Valley fault joins it. Another valley enters Trout Lake at the northwest corner. There thus appears to be several faults entering the north end of Trout Lake. If these faults, or veins connected with them, contain commercial quantities of silver, they present an interesting problem.

To those, and there are many, who want to know the likely places in which to explore in South Lorrain, the writer can do no better than to point out how success was achieved during the last two years at the Keeley and Frontier properties. The operators began working at the surface on strong calcite veins, an inch to a foot or more in diameter; these veins outcropped in Keewatin rocks three to four hundred feet above the top of the Nipissing diabase sill. The operators sank on the veins to the contact of the Nipissing diabase and Keewatin basalt. Exploration of the veins along and near the contact revealed the rich ore-shoots which have brought the camp into such prominence. Another factor, however, besides the diabase contact played its part at the Keeley mine. J. Mackintosh Bell believed that, at or near the bottom of the pre-glacial weathered zone in Wood's vein, he would find rich masses of secondary silver ore which had been leached out of the top part of the vein. While the bottom of the weathered zone has not yet been reached at a depth of 480 feet, there is evidence nevertheless that the workings are approaching it. At any rate, most of the high-grade ore in the mine has been encountered at this depth.

Those seeking new ore bodies in South Lorrain should also keep in mind the conglomerate and greywacké of the Cobalt series below the South Lorrain dome, in the vicinity of Loon and Oxbow Lakes. Up to the present time no calcite veins of importance are known in these rocks under the dome. Should calcite veins, with smaltite, be discovered by trenching or diamond drilling such veins might be explored along the base of the Cobalt series. In Cobalt much of the silver ore occurs along the base of that series; similar conditions may exist in South Lorrain under the diabase dome.

Mineral Production of Canada is Up 16 Millions So Far This Year

Canada's mineral production increased 44 per cent. in the first six months of 1923 as compared with the same period of 1922. The Dominion Bureau of Statistics announces the figures as follows:

1922 — 6 mos. $60,361.109
1923 — 6 mos. $87,152,248

Metallics fell slightly under the non-metallics with the figures standing:

	1922	1923	% Inc.
Metallics ...	$26,475,544	$39,244,614	48
Non-metal. .	33,885,565	47,907,634	41
	$60,361,109	$87,152,248	44

From the above it will be seen that all mineral production is much higher with the metallics showing the heavier increase. In this section the jump was in the production of nickel and copper. The surplus stocks existing at the end of the war seem to have been absorbed, and from now on a steady production is looked for. The increase for the full year promises to be still greater, as one large potential producer did not start operations until well on in June.

The gold mining industry is in a satisfactory condition, although the production shows a slight falling off from that of the corresponding period last year. This was due entirely to the prolonged power shortage in Porcupine this spring, a dry fall followed by a late breakup of ice on the lakes and rivers proving a severe handicap to the power companies. With increased crushing capacities, and one new producer assured, it is expected that the 1923 total will equal that of 1922. The gold production of Canada for the first six months of 1923 amounted to 530,402 fine ounces valued at $10,964,382.

Silver production also showed a slight falling off when compared with that of the same period in 1922. However, the outlook for this industry is particularly bright for the latter part of the year. Large shipments during the summer from the new silver mining districts of the Yukon will undoubtedly make up for any declines in production from the older camps. During the first six months, 8,336,946 ounces valued at $5,506,469 were produced, contrasted with 8,905,454 ounces valued at $5,997,199 in 1922.

The other metals all showed increases in production compared with the same period last year.

Coal production amounted to 8,722,205 tons valued at $38,188,343, as compared with 6,205,288 tons valued at $26,993,498 for the first six months of 1922. The increase amounts to 2,516,917 tons valued at $11,194,845 or 40.5% in quantity and 41.5% in value.

Increased production is general throughout the list of non-metallics, the most important increase being in asbestos. To the end of June, 99,042 tons were sold by producers for $3,574,762, as compared with 54,846 tons and $1,894,232 during the same period in 1922.

BIG ORE BODY IN ROUYN QUEBEC FIELD

Messrs. Chadbourne and Thompson Meet With Success in New Operation

Just at a time when reports are being broadcasted that the Rouyn Quebec gold fields are of little promise, Messrs. Chadbourne and Thompson, New Yorkers, who have been operating largely in that area, report the finding of a very important body some two miles south of the discovery find. Trenching as carried on reveals dimensions to date of 800 feet by 400 feet. The trenches were sunk fairly deep and, after blasting, channel samples were taken. The first samples showed that over a width of 7 feet 10 inches values ran $9. Fifty-five feet to the west samples over a width of 15¾ feet gave values of $15. It is believed that samples taken in another place there where width is 20 feet will give the same return. Fifty feet to the north further sampling revealed a width of 11 feet, $4.80, and 25 feet. $11. Other trenches are being sampled.

The ore body looks like one of great importance. Mr. Chadbourne says they will start shaft sinking immediately and later may diamond drill. The area is a huge crushed zone with the mineralized body showing quartz, pyrites, galena, tourmaline.

Besides owning the 200-acre claim on which the find was made, the same interests own the 400 acres adjoining on the north. Still further north is their Horne claims, and they have opened up an interesting body on this. A drill sunk in a big sulphide dyke gives a value of $6.50 in gold and 2 per cent. copper over a width of 37½ feet. It is a question of volume, and this is to be proven up by diamond drill. It may shape up as a big smelter proposition, said Mr. Thompson. With the present contents the value of the ore body would be around $11.

Vipond Vein Gives High Values on South Level

Vipond, opened up for 24 ft. on the 600-ft. level, shows values of $74 over a width of five feet. The vein stands up strong. Work is now proceeding on the seventh level and will soon be started on the eighth. Samples of ore from the North are very spectacular, being shot with fine gold.

The Flanagan-Skead Gold Mines is a new operation with 500 acres at the south end of St. Anthony Lake in Skead Tp. Col. J. Z. Fraser is president, A. J. Young, P. R. Tough and Jos. McKay directors. Eight veins have been uncovered on the surface giving assays from $3 to $20.

Had Diabase Anything to Do With McNeil Ores?

McNeil Township, the scene of the recent gold find between Matachewan and Porcupine, promises to be the scene of great activity as soon as permits to proceed with work are granted by the department. This is necessary as the Indians made their discovery in a forest reserve.

The original discovery, now in the hands of Messrs. Segsworth and Jowsy, have taken over 12 additional claims, making 20 in all or 400 acres that they hold. Their find was an exceptionally rich one as evidenced by the samples at the Parliament buildings. They are in the cabinet with ore from the famous Croesus. The finds were made in rich quartz stringers.

T. J. Flynn, who has an option on the Giles group of seven claims near the discovery claims, will also commence operations as soon as he receives a permit.

An effort is being made by people interested to have a provincial geologist visit the property to solve some of the problems existing there. Among others is the point as to whether or not the diabase is responsible for any of the ore depositions. Many of the ore showings occur in the syenite close to the diabase and sometimes in the contact between the diabase and the syenite formations.

Mining Stock Quotations

Week Ending August 28th.

	High	Low	Close	Sales
Apex	2¾	—	—	1000
Algonquin . .	3	—	—	2000
Argonaut . ..	77	73	77	10850
Baldwin	6¾	5½	6	55000
Beatty	12½	8	11⅞	112500
Beaver	30½	28	29¼	8500
Bidgood	8¼	7	8¼	58000
Atlas	5½	5¼	5½	28000
Buckingham .	7	6¾	7	8000
C. Trethewey	24	—	—	3000
Chap. Hughes	5	—	—	300
Coniagas . ..	2.25	—	—	175
Continental .	5.75	5.60	5.60	250
C. Smelters ..	27	26½	27	480
C. West D'me	23	22	22½	88000
Clifton	17	16	17	25600
Col. Kirkl'nd	10	—	—	6100
Crown Reserve	57	50	57	10770
Dome Mines .	35.50	34.50	35.25	692
Dome Kirkl'nd	1¾	—	—	1000
Gold Reef . ..	2⅛	2	2	16000
Goldale	50	48	50	12000
Hattie . :....	15	10	12	412850
Hillcrest, pref.	90	—	—	4
Hollinger . .	11.80	11.60	11.65	4445
Hunton	8¼	—	—	1000
Inspiration . .	8⅛	—	—	1000
Keora	9½	8¾	8¾	17000
Keeley	1.90	1.83	1.83	3746
Kirkl'nd Lake	33	31½	31½	2500
La Rose	30	28	30	1780
Lake Shore . .	3.30	3.15	3.22	10720
Lorrain	20	15½	19¼	72150
Montreal, Ont.	35	—	—	1500
McIntyre	16.80	16.35	16.50	1237
McK. Darr. ..	17	13½	15	28100
Mining Corp. .	2.55	2.45	2.50	15200
Moneta	18	17	18	27500
Newray	42¼	40	42¼	16500
Nipissing .. .	5.60	5.45	5.60	415
Peterson Lake	9⅞	9⅝	9⅝	6400
Porc. Crown .	11	9½	10¼	13500
Matach. Gold .	35½	33½	35	33500
Preston E. Dome . .	10⅝	10¼	10¼	19500
Teck Hughes	1.14½	1.04½	1.14	69800
Timiskaming . .	36	35½	36	4400
Thompson Krist	4	—	—	300
Vac. Gas.	2¾	—	—	500
Vickers	31	30	31	10100
Vipond Cons. .	60	55	60	36100
Wakenda	6	5	—	5000
Wasapika . ..	6	5½	6½	13500
West Tree . .	9	7½	9	40000
Wettlaufer . .	8	6½	6¾	7000
New York Prices				
Nickel, com. Inter.	13⅛	12¾	13	900

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"Timely Talks on Mining"
By
Irving J. Isbell
(TALK NUMBER ONE)

IN BEGINNING my talks on mining, I feel that a great many people regard mining as a highly speculative and dangerous business—which, of course is absurd. In contradiction of this mistaken opinion, I am going to quote from Cecil Rhodes' speech made in London a few years ago, as I consider his remarks to be the most illuminating and authoritative statement ever made on the subject.

Cecil Rhodes was the undisputed "mining king" of South Africa and it was principally through his efforts that the famous Rand of South Africa became the world's greatest gold fields. He was regarded as the greatest living authority on mining in his day. John Hayes Hammond, the eminent American engineer, once said, "Cecil Rhodes is the greatest man I ever knew."

Excerpts From Cecil Rhodes' Speech

"Mining has been the foundation of the world's wealth from the beginning of time. The Governments rich in minerals have always been the richest and strongest Governments on earth."

"Mining has always been the quick road to fortune, and of late it has become the sure and most certain road to wealth. A country of great mines always becomes a country of great wealth, influence and power, and what you say for nations you can say for men."

"I have always made a great study of this question and have had statistics, not only of Great Britain and Africa, but of the world, carefully compiled relative to this proposition, so that I might not be in error. This investigation shows that mining has always offered greater inducements than any business in the world to make quick and great wealth."

"This investigation further shows that farming is more risky than mining; that 32 per cent. more people lose money and fail in farming than do in mining; that 29 per cent. more people lose money and fail in mercantile business than in mining; that 41 per cent. more people lose money and fail in the manufacturing business than in mining; that 17 per cent. more people lose money and fail in banking than in mining and that more men lose money and fail proportionately in any of the professions than in mining."

"Of course, you can lose your money in mining if you put your money in a mine that is worthless, that has no mineral in it, and in the same way you can lose it if you invest in a store which contains no merchandise, or in a bank which contains no money."

"It is not uncommon for a good mine to pay the holders of the stock pounds for every shilling that they invest. Often 100 pounds ($500) invested in a good mining stock will pay the fortunate holder more than 20,000 pounds ($100,000) could possibly pay him if invested in municipal bonds, railroad bonds or railroad stocks."

"I believe investing money in a good mining stock is the most profitable of investments, and very, very much the safest. And why safest?—Because your security is the ore itself—the raw material of money; the security for your money in a good mining company is the money itself—actual money."

"Men and women of small means are the very people who should invest in gold mining stocks above all others. They have too little money for 3, 4, 5, or 6 per cent., to do them much good, while, on the other hand, 12, 20, 30, 40, 50 and 60 per cent. on their small investments would bring the comforts of plenty to their scant and meagre boards. There are plenty of good mining companies which pay from 12 to 50 per cent. on the early investments in the stock, and pay these large profits steadily, and often there are exceptional opportunities in the growth of many of these companies, where thousands of per cent. are made on the investment almost immediately."

Mr. Isbell's "Timely Talks On Mining" will continue for an indefinite period in this column. "Talk Number Two" will appear in the issue of September 8th.

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NEWRAY DEVELOPMENT

Newray's shaft, standing next to the Hollinger and Dome as being the largest in Porcupine, is now down around 300 feet. The plans are to go through to the 1,000 foot level. Coniagas, with an option on control, is developing the property which is located to the north-east of the McIntyre.

NEWS OF THE BANKS AND BANKING

NO DECISION BY FERGUSON AS TO SAVINGS OFFICE

Accounts Not Being Solicited Says Provincial Treasurer

Since the change of government in Ontario the financial community has been awaiting with interest developments to indicate the attitude of the Ferguson administration to the provincial savings bank and farm loan scheme. The fact that the government office pays 4 per cent. as compared with 3 per cent. by the banks, thus attracting bank deposits, while the former pays no taxes and the latter is a heavy contributor to the provincial treasury, has been advanced as one reason why the new administration might adopt a changed policy. At the same time revelations in connection with the Manitoba farm loan scheme have been such as to raise a reasonable doubt as to whether money lending is good business for the government when so many borrowers have shown a disposition to wink at such obligations. This week Premier Ferguson made the following non-commital statement:

"We have reached no decision as yet, but we are making a thorough investigation of the whole ground. The Provincial Secretary is securing reports from all branches as well as from the head office, but until such time as we secure comprehensive information the matter of policy will remain unsettled."

In view of the recent developments in banking circles there has naturally been a tendency on the part of depositors to take their funds to the government savings office. In this connection a number of bank officials have expressed their opinion of the unfair nature of this competition in view of the heavy taxes the banks are paying. The provincial savings branch, is not, however, according to the director, W. E. McKenzie, soliciting accounts or trying to take advantage of the banking situation. As regards the policy of the savings office Hon. W. H. Price, provincial treasurer, has issued the following statement:

"The Province of Ontario Savings Offices do not canvass for savings. The managers of the various branches have instructions to exercise every care in the administration of their offices. They have done no canvassing for deposits.

"Canvassing, however, has for the past eight or ten months been carried on by a company known as the Savings Assurance Agency, Limited. This company is an agency writing life insurance on the installment plan. Payments on account of premiums are deposited with the Provincial Savings Office.

"When it was brought to my attention after the Home Bank went into the hands of the Curator that the canvassing of the Saving Assurance Agency might accentuate the existing conditions, I directed that this company be requested to discontinue its canvassing for the time being.

"There does not seem to be any indication that the acquisition of deposits from time to time by the Pr vincial Savings Office has had any effect on the general banking system of the country.

"The Province will not pemit any steps to be taken which will interfere with the banks carrying out their functions, which are much larger and more varied than those of the Provincial Savings Office."

Mr. Shannon of Estevan, is manager at the local branch of the Bank of Hamilton during the absence of G. J. Gibson. Cecil Patterson is also assisting the staff.—Brownlee, Sask., Sun.

Exchange

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Aug. 23 . .	2 11-32	2 5-16	1-8	3-32
Aug. 24 . .	2 7-16	2 11-32	3-32	1-16
Aug. 25 . .	2½	2 7-16	3-32	3-32
Aug. 27 . .	2 15-32	2⅜	7-64	5-64
Aug. 28 . .	2 13-32	2⅜	1-16	1-32
Aug. 29 . .	2⅜	2 11-32	5-64	1-16

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Aug. 23	4.55½	5.61½	4.31
Aug. 24	4.55⅜	5.62	4.32
Aug. 25	4.55¼	5.71	4.33¼
Aug. 27	4.54⅜	5.69	4.33
Aug. 28	4.54 9-16	5.73¾	4.33
Aug. 29	4.54¾	5.65	4.32

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	Aug. 23,1923	Change	%
Montreal	$95,515,583+	$20,673,946	27.7
Toronto.	89,682,844+	10,174,045	12.7
Quebec	6,524,630+	2,077,119	46.7
Ottawa	5,509,771—	120,684	2.1
Hamilton	5,479,138+	563,795	11.4
Windsor	3,267,248+	149,833	4.8
St. John	2,825,719+	267,922	10.4
Halifax	2,537,290+	11,769	4.6
London.	2,442,260+	255,118	11.6
Moncton	1,109,225—	19,275	1.7
Brantford	989,188+	118,546	13.6
Sherbrooke . . .	855,712+	79,161	10.2
Kingston	811,649+	35,159	4.5
Kitchener	793,595—	32,230	3.9
Peterboro	717,661+	131,470	22.4
Total East . .	$219,061,513+	$34,465,694	18.6

WESTERN CITIES

	Aug. 23,1923	Change	%
Winnipeg	$31,008,170—	$624,293	1.9
Vancouver	14,236,176—	2,069,489	12.6
Calgary	4,475,084+	272,278	6.5
Edmonton	3,832,679—	31,802	.8
Regina	3,359,354—	148,219	4.2
Victoria	2,022,438+	190,455	10.4
Saskatoon. . . .	1,621,583+	212,028	15.0
Ft. William . . .	1,159,158+	526,383	83.3
Moose Jaw . . .	1,153,143+	140,097	13.8
Brandon	589,022—	35,708	5.7
Lethbridge . . .	548,915+	1,480	.3
Pr. Albert	321,865+	24,226	8.1
Medicine Hat	248,390+	7,924	33.0
Total West . .	$ 64,575,977—	$1,534,640	2.3
Grand Total .	$283,637,490+	$32,931,054	13.1
Yr. to date . .	$10,134,932,475+	$59,030,511	.5

Staff of Hamilton to be Well Treated

The Canadian Bank of Commerce will take over the staff of the Bank of Hamilton as it has taken over the staffs of other banks which it has absorbed in the past few years, and will extend to them the same generous treatment which it has the reputation of extending to the staffs of other banks which have been acquired, according to the statement by Sir John Aird.

The officers of the Bank of Hamilton will also have the advantage of the pension fund of the Canadian Bank of Commerce, which is on a more generous basis than that of the Bank of Hamilton. The merger, which is an important one, should go a long way to satisfy the public of the soundness of the financial and general business situation of Canada.

Earnings of the Canadian Pacific for the week ending August 21, amounted to $3,518,000, an increase of $149,000 or 4.4 per cent. compared with the corresponding period of last year.

Branch Managers Strong for Salary on Basis of Ability

Several Contributors to Discussion Recommend Action in This Direction—One Suggestion That Number of Branches be Reduced

Further contributions to the discussion of staff salaries are given in this issue. Many of the suggestions being made indicate a sincere desire on the part of the branch managers to help head office in dealing with the problem of maintaining staff efficiency and staff morale.

"I have given a good deal of thought to the subject," says a contributor from Saskatchewan, "and have endeavored to put down my thoughts without suggesting that I am airing any personal grievance. There is no question in my mind, that there is considerable unrest throughout the ranks of all banks, and I do feel that if the causes could be analyzed in a human way that a good deal more good would accrue than by allowing hot-heads to run amuck."

That is the spirit in which the matter was first taken up in these columns—a spirit which various contributions are reflecting.—J.W.T.

Would Make Salary a Reward of Merit

The article in your issue of July 27, 1923, under caption, "The Banks Face Keen Demand for Higher Salaries," must inevitably have captured the interest of any bank man who read it, and more particularly the junior managers. It has long been a sore point with many that the salaries paid, in many instances, are not commensurate to the responsibilities assumed. If any scheme of adjustment is to be effected, the importance of considering increased salaries in relation to promotion, cannot be overemphasized. It has hitherto been the custom to revise salaries once a year only, with a total disregard to the fact that responsibilties may have been increased out of all proportion between one revision and another. I know that this has proved a very fruitful topic for discussion and has caused much discontent.

Within the writer's own knowledge, a manager of one of our banks was moved from one branch to another, and not only the man who relieved him was in receipt of a higher salary, but also the man he relieved, and this despite the fact that the responsibility was not increased in the one nor decreased in the other. These points are talked of very freely amongst bank men, and are apt to prove detrimental to the loyalty which exists to a surprising degree in the banking world. The point dealing with the over-payment of some officers could be remedied quite easily, because if a man is a valuable man it would appear to be good economics to keep him even if it were necessary to pay him more money, for truly such a "laborer is worthy of his hire." But the others, the drones, the hangers-on, they are a handicap to themselves and the banks and should be weeded out. Merit rather than length of service should command increased salaries.

The bonus system would not be likely to commend itself as a corrective. There is nothing permanent about it—and what is required is a definite amount on which to count, and budget expenditure. If the salary question is becoming such a serious problem, would it not be a good idea for the banks to ask for suggestions from their staffs. I remember when I was in the Canadian Army Pay Corp in London, England, the officer in charge instituted a "suggestion system" which proved very effective, and much good was derived therefrom; so that it is highly probable that many constructive and practical hints could be gleaned through the medium of questionnaires circulated throughout the branches. And that brings up another important point. As a class, bank clerks are or should be amongst the most intelligent men in the country, and a little freer intercourse between officials and officers would not lower the dignity of the former and would probably increase the efficiency of the latter.

A study of successful enterprises, such as Ford Motor Co., United States Steel Corporation, Cadbury's Chocolate Co., and so on, reveals the fact that the tendency of modern business is to throw very special emphasis upon the treatment of staff, to devise all manner of welfare schemes, in short, to do anything which will tend to stimulate loyalty and efficiency. In the past the bank staffs have shown themselves ready to give unstintingly of their time and energy without thought of reward, but surely this display should call for a response from the executives. In view of the suggested campaign to organize a union, the time certainly seems to be ripe for strenuous and immediate action on the part of bank officials, because, while I think the majority of bank men are anything but red, socialistic or bolshevik in make up, they certainly are human, and it is only reasonable to suppose that if a means of correction is offered they will accept the one which suggests the greatest benefits. In other words, officials would be well advised not to lull themselves into a feeling of false security, without going out to meet the trouble half way. The writer is not in favor of unions, and this article should be interpreted as constructive rather than destructive.

"SASKATCHEWAN."

Would Reduce Number Branches as Corrective

The articles published under the New of the Banks and Banking are read with much interest. It appears to the writer that the cures, or troubles of banking, if such exist, rest within the banks themselves, by over-competition. If you have too many branch banks in any locality, it is bound to increase the loaning risks and decrease profits, and if the profits are not available, like in any other lines of business, salaries and dividends cannot be increased.

"ONTARIO."

Salary Increase Offset By Costs of Training

The article on "Banks Face Keen Demand for Higher Salaries," which appeared in THE FINANCIAL POST in a recent issue, is one which without doubt held considerable interest for all bank employees in Canada, especially branch managers and other senior officers.

The fact that the salary of the average branch manager is in no way commensurate with the position of responsibility which he holds to both his bank and to his customers is well known in business circles, and in the event of a business house requiring the services of an experienced man, the requirement is met by the easy means of offering a higher salary than that enjoyed from the bank.

At the present time there is a great deal of unrest among senior employees of the banks in Canada, and this is bound to continue until the value of an experienced and capable manager is realized. The loss to any business organization of an experienced man is a serious one and especially so after this man has risen to a position of responsibility over a long period of service within that organization.

Many Resignations

Wholesale resignations have taken place and will continue to take place from the staffs of our chartered banks, such being submitted mostly by the senior officers who are leaving to better their present and future position. The gaps left by such resignations are being filled by raw recruits, boys fresh from school, who are entering banking to obtain short-term employment and the experience that goes with it, and in most cases have no intention of following banking as a life career.

The question arises as to whether it would not be more to the advantage to banking organizations to increase salaries to a living scale and keep the experienced men, instead of educating them over a term of years and when they become valuable through that experience allow some other organization, no more able to meet the salary demand, to step in and buy that experience. Doubtless our banks in common with other organizations have suffered losses during the past two or three years through loans having gone bad, but why penalize the staff? especially so when almost invariably the losses have been made at the city branches of the bank concerned, the managers of which usually have few personal financial worries. It is the country and small town manager who is up against it, and has to carry along without the benefit of any special allowance such as enjoyed by the city managers, even though there are points where the cost of living, with the possible exception of rentals, is much higher than in the cities.

Would Reward Ability

Ability instead of seniority should be more carefully attended to on the part of the executive officers of our banks, and salaries commensurate with the position held and the ability to retain such a position should have careful attention. Very often a senior officer, even though he needs the salary increase, is content to know that his efforts are having attention on the part of head office, such recognition perhaps being promotion to a more important branch or advancement to some other position in the bank's service. Most of the senior men are very loyal to their separate institutions and wish only its welfare, but such loyalty should be more thoroughly recognized.

"QUEBEC."

HOME BANK EMPLOYEES KEEP INSURANCE

Some uncertainty has existed among employees of the Home Bank as to what will happen to the group insurance plan should the affairs of the bank be wound up. A group policy was issued some years ago by the Travellers' Insurance Co. of Hartford. Under its terms the bank paid the yearly premiums and the insured designated his own beneficiary. It was customary to place $500 on each employee in the service six months. This amount increased according to length of service up to a maximum of $3,000. The insurance was on the yearly renewable term plan and included a disability provision.

The contract provided that any employee, on leaving the bank, might take up the insurance within thirty days. If the bank ceases to function, this will apply. The group plan will lapse but each employee can take up and continue the insurance independent of the bank. As the policy will be a yearly renewable term plan, it can be converted at the insured's option into any regular plan.

Staff Gossip

J. F. Macgee, manager of the Bank of Montreal at London, is in town for a few days. Mr. Macgee was for some years accountant in the Merchants Bank here. —Kincardine, Ont., Review.

* * *

G. Ewing, manager of the local branch of the Bank of Commerce, Dr. McCarthy, G. Walker and Mr. Keane left by Canadian National for Shekak, 317 miles east of Fort William, on a fishing trip. They are joining a party from Winnipeg who have a special car for the trip..—Fort William Times-Journal.

* * *

William Lawlor, son of Mr. and Mrs. J. A. Lawlor, Fredericton, who has been accountant in the Parrsboro branch of the Royal Bank of Canada since last winter, died in Highland View Hospital, Amherst, N.S., from injuries received the previous night when a car in which he was driving with F. W. Wetmore, Port Greville, went over a steep incline at Partridge Island.—St. John Globe.

* * *

J. H. Malcom, manager of the Bank of Nova Scotia in Charlottetown for the past four and a half years has been appointed to the managership of the branch at Yarmouth, N.S. He is being succeeded by Lloyd D. Murray of Amherst.—Summerside, P.E.I., Agriculturalist.

* * *

The many friends of Andrew Forsyth manager of the Bank of Nova Scotia, will regret to hear that he has been transferred to Newcastle, N.B. Mr. and Mrs. Forsyth will be missed in many local circles of activity. Yarmouth will be glad to again extend a welcome to Mr. and Mrs. John Malcom, he having been transferred from the bank's branch in Charlottetown to the local bank here—Yarmouth, N.S., Light.

* * *

The Parkhill branch of the Canadian Bank of Commerce took over the branch of the Bank of Montreal on Wednesday, August 15. The Commerce will occupy the Montreal building, which was built two years ago and is a substantial, up-to-date building. The staff, books and cash of the Montreal bank were removed to St. Marys—Sarnia Observer.

* * *

Gilbert C. Wainwright, manager of the St. Peter St. Quebec branch of the Bank of Nova Scotia, formerly of Winnipeg, has been appointed manager of the Kingston, Jamaica, branch of the institution. He will leave Quebec for the West Indies shortly. He was manager of the Winnipeg branch of the Bank of Ottawa at the time that bank amalgamated with the Bank of Nova Scotia, when he was transferred to Toronto.—Winnipeg Trbune.

* * *

H. E. Taylor of the Union Bank of Canada staff, was transferred from the Milestone branch to Moose Jaw recently. Mr. Taylor has been at the bank here for the past three ye rs. He was a member of the Anglican Church, and has the good wishes of many friends for his future success.—Milestone, Sask., Mail.

Walter J. Lucas, formerly of Sarnia, for many years in the service of the Canadian Bnk of Commerce, has joined Financial Service, Montreal, in the capacity of sales mana er. He wil be in charge of news liason with the clients of the company as well as directing the selling organization. Mr. Lucas is a son of Mr. and Mrs. James Lucas, Euphemia street, city, and was at one time in the employ of the Canadian Bank of Commerce, later being transferred east.—Sarnia Observ r.

* * *

Noel Bridge, who has been teller in the Bank of Nova Scotia here for some years, is resigning his position and leaves for San Diego, Cal., where he takes an important position with the Western Loan and Building Corporation. Noel will be much missed in town as during his stay here he has popularized himself with all classes. He was one of the regulars on the baseball team for some years, playing at short, a position for which he was eminently fitted.—Carleton Place Canadian.

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PUBLISHED BY

THE MACLEAN PUBLISHING COMPANY, LIMITED

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, AUGUST 31, 1923

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

THE AUDITOR AND THE SHAREHOLDERS

IT HAS already been pointed out by THE FINANCIAL POST that succeeding developments in regard to our banks indicate that the monthly returns to the government under the Bank Act convey so little information regarding the real position of the institutions that they are now regarded as little more than a joke. And then there are the annual statements to the shareholders, certified by their own auditors, and even more misleading because of the certifications which accompany them.

Take the Home Bank for instance. Not only did the president and the general manager speak of "measures of retrenchment that should inspire confidence in the future," in connection with the last annual report, but the auditor in passing a statement to May 31st last, which showed a reserve fund of $550,000 and a balance of over $72,000, declared: "I have obtained all needed information from the officers of the bank. . . . The cash has been checked and the securities of the bank verified. . . . In my opinion the balance sheet is properly drawn up so as to show a true and correct view of the state of the bank's affairs."

This statement was made to the shareholders by the auditor appointed as their representative in examining the condition of the bank. Shareholders are, therefore, losing confidence in annual statements just as the public are losing confidence in government returns. Individually or collectively the banks must do something to restore the confidence of their shareholdrs and of the public, their depositors.

LOOKING OUT FOR TO-MORROW'S INCOME

IT GIVES us a feeling of comfort to point to our forest resources stretching in an almost unbroken chain of wealth from Atlantic and Pacific and to say: "This is where Canada is top dog. Here we lead the world. These trees are the basis of our greatest industry. Here is unlimited wealth for generations to come."

Probably there was a time when people in the United States thought the same thing about the forests of that country. To-day the forests are almost gone; saw mills and pulp mills are idle with their machinery scrapped and towns built on the edge of once virgin forests are deserted villages. It is the duty of every Canadian who is a business man, investor, a home-owner or a tax-payer—and this includes nearly everybody in one way or another—to see that nothing of the kind happens in this country.

Two great industries in Canada are in danger of losing their supplies or raw materials—the lumbering industry and the pulp and paper industry. Forest fires and insects are wasting away our forest assets and little is done by the provincial governments to save the situation. Trees are being slashed down to be turned into boards or paper, and no practical steps are being taken to replace them. The public protest against such conditions is becoming articulate. Public officials are beginning to grope for a solution. During the next few years much may be accomplished; is almost certain to be accomplished to the end of perpetuating the great forest industries of Canada.

Business men should be ready to support any public expenditures to this end. Investors should study their own relation to the problem of conservation. As a beginning the article of Ellwood Wilson, chief forester of the Laurentide Company and one of Canada's most expert practical foresters appearing in the pulp and paper section of this week's issue should be read closely. It gives an outline of the situation as one in close contact with an important forest industry sees it.

It is not too late to save our forests. Thought and money given to conservation to-day will make our future income from the forests secure.

PRESENTING THE GRAND TRUNK CASE

ON VARIOUS occasions THE FINANCIAL POST has expressed the opinion that the Canadian government should take effective steps to advise the British investing public as to the merits of the majority award in the Grand Trunk arbitration. Professor Gilbert Jackson, writing from England in THE POST, refers to the damaging misrepresentation which the Canadian case has suffered and suggests that something may still be done.

In another column a letter from Col. A. E. Kirkpatrick tells that "the Canadian government has on two occasions sent broadcast to the press in Great Britain the true facts in connection with the acquiring of the Grand Trunk by the Canadian government, and . . . the High Commissioner has on three occasions told the facts as briefly and clearly as they could be told."

What Col. Kirkpatrick says indicates that the facts have been made available to the British press. But was that sufficient? In the first place the publication of "official statements" is seldom good journalism because they are rather "deadly" documents. And in the second place it could not be expected that they would be inserted gratis, to set forth the unpopular side of the case, particularly if the other side were paying for space to get its propaganda circulated. No doubt Mr. Larkin did everything possible to have Canada's case properly presented, but when he arrived in England a paid campaign of coercion was evidently already launched by the other side and little could be done to get the papers to give space gratis for his arguments.

When Canada should have sought to get her case properly presented, was at the time of the hearing and award. Then it was news and space might have been secured by merely giving out the facts in a manner to appeal to newspaper writers. Later nothing effective could be done without buying space—and Canada should have been prepared to spend some money to head off the well organized propaganda of the Grand Trunk security gamblers.

The result is that all the British people hear of is the minority award. They are not told that Canada is observing all the time-honored principles of British fair play on the basis of the majority award. Something may still be done to get Canada's case effectively presented by buying the desired space in the leading publications in a business-like way.

A GOLDEN BUBBLE THAT BURST

THE skipper of the yacht just back from Labrador, who declared that there is not enough gold in Labrador to fill a tooth, is probably guilty of as great an exaggeration as those who sent out the wild tales of the fabulously rich placer mining deposits of Stag Bay. However, there is nevertheless some information contained in the skipper's report and that is that the alleged placer fields are non-existent. Labrador's vast wilderness may sometime produce gold. It has the formation, but the gold will not come by the easy placer method. As a mining engineer, who returned to civilization with the skipper, succinctly put it, "the man who says there's gold in paying quantities in Stag Bay is a bally liar."

This information will prove a blow to many optimistic souls who, carried away by the rosy stories of the riches to be had, put up their funds for leases. The FINANCIAL POST constantly warned against this wild gamble. It suggested that those who desired speculation in mining ventures should rather turn their attention to established mining fields in other parts of North America.

SOCIAL STABILIZERS SPURRED BY TAXES

A FEATURE which marks the present social and industrial unrest is the number of men of learning, who advocate radical changes in our systems of life, whether economic or political. Ministers of religion, and teachers, and college professors, can be found among the leaders of the forces of unrest, and there is a reason for their position.

Men of this kind seldom have wealth, unless they have inherited it; they belong to the salaried class, which finds it almost impossible to evade or pass on taxation; and thus—with incomes generally inadequate and a heavy load of taxes—they become disgruntled and inclined to complain, often without appreciating the real cause of their attitude.

These intellectuals, with their diversity of minds and knowledge of human nature, find it easy to sway the masses by ideas which are tinged with "morality," and much of the morality preached to-day simply tends to overturn the present order in the name of "justice." Propaganda from such men, who normally should be working to stabilize our social system, finds a fruitful soil in the minds of the masses, susceptible to any appeal which claims a moral basis. The mass psychology which is so successfully exploited in these days—whether in "safety first," or milk-drinking campaigns—has the great advantage of being aggressive. Once get the "moral issue" started, and anyone who opposes it is immoral; the social reformers gather virtue to themselves through opposition; they become crusaders in a holy war; and trouble is the result until they impose their will on the whole community or are themselves beaten.

Propaganda of this kind is always irritating: sometimes it is dangerous, and never more so than when eloquence and culture lend themselves to preaching that the economic, industrial, and social conditions of the day are grossly unjust.

The prosperity of our time is very real, when compared with former generations. The increasing number of working people who own their own homes and automobiles; the general spread of the comforts and conveniences of civilization; the diffusion of education in arts and letters; all of these things weigh as nothing in the balance when the idea of "injustice" is hammered into the heads of the people, and it is apparent that some intellectuals have a serious responsibility in this connection.

One thought arising out of these facts is that while sound in theory the income tax is not equitable in practice. The income of salary earners is at once available. With other classes it is subject to adjustment or can be passed on.

EDITORIAL NOTES

ONE GOOD business man succeeds another when Hon. T. A. Low takes over the department of Trade and Commerce while Hon. J. A. Robb takes up Immigration and Colonization.

* * * *

A MAN WHO bought German marks at 2 cents a piece and has been watching their decline ever since is now getting nervous. He wants to know if German marks have a double liability clause.

* * * *

"TWO THOUSAND acres of timber land burn," says a small despatch in the daily papers. The average man overlooks the item, but 2,000 acres of ordinary pulpwood land contains the raw material for 80,000,000 of the newspapers he read the despatch in.

* * * *

TO GET CANADA'S case in regard to the Grand Trunk before the British public, some suggestions might be had from Lord Atholstan as to how he has been able to get so many papers to print his "Whisper of Death" series.

* * * *

PRESS REPORTS state that Lester strip mine at Herrin, Ill., where a year ago 22 lives were lost in a riot, was purchased for $726,000 by Illinois Mine Workers' Union, as a means of satisfying heavy damage suits contemplated by W. J. Lester, owner of the mine.

* * * *

THAT THE clouds have not been all dispersed following the recent labor storm in Cape Breton is indicated by the expressed hope of the Mining Record "that the withdrawal of the government forces on the score of expense—among other reasons—will not turn out to be an instance of penny wise pound foolish."

* * * *

WHO WOULD care to say definitely that, despite everything Sir Henry Thornton may do to the contrary—and he can be expected to do all he can—the reply to the demands of the Canadian government railway employees for higher wages will not be influenced by the fact that they have votes.

* * * *

IN THIS column last week there appeared the observation: "Good business and good politics are now good mixers." It referred to the management of the National Railways. This should have read: "Good business and good politics are NOT good mixers!" Unfortunately we have not yet reached the millennium.

The Tragedy of the Farmer's Dollar

By H. MICHELL,
Professor of Political Economy in McMaster University.

That the farmer has for some time been suffering from a fall in the value of his products, has been evident to most observers, but how far he has suffered has not been quite so apparent. The publication of the new index number of wholesale commodities by the Domiinon Bureau of Statistics at Ottawa, now gives us an opportunity of computing the depreciation of the farmer's dollar with very fair accuracy.

In order to do this, let us take, say, a dozen articles which the farmer sells and a dozen which he buys, and see how they have risen or fallen as compared with 1913, and with the peak year of 1920. We may select our twenty-four articles mostly at random, it does not matter very much in a calculation of this sort, but we will try and get them fairly representative of some of the things a farmer sells and some of what he must buy and cannot raise for himself.

Index Numbers of 24 Commodities 1913-100

A. 12 Articles the Farmer Buys

Article	1920	1923
Tea	219.1	164.6
Coffee	237.4	160.0
Sugar	434.6	237.6
Tobacco	211.7	193.0
Boots	175.8	114.4
Rubbers	153.9	136.9
Underwear	587.6	178.4
Men's Hosiery	364.7	248.1
Coal Oil	165.7	109.6
Gasoline	154.4	100.0
Binder Twine	212.6	119.7
Starch	187.9	129.3
Year Average	258.8	157.6

B. 12 Articles the Farmer Sells

Article	1920	1923
Barley	322.1	108.7
Oats	274.0	131.9
Wheat	250.7	122.8
Potatoes	449.1	148.8
Hay	228.2	125.9
Beef Hides	156.9	72.1
Cattle, Western	178.7	104.8
Hogs	199.8	123.1
Sheep	169.0	101.0
Wool	140.9	196.8
Eggs	199.1	95.7
Apples	190.0	241.1
Average Year	229.8	131.0

This little table is very well worth studying with care. What it really comes to is this, that what cost the farmer $1.00 in 1913 costs him $1.57 in the summer of 1923. But on the other hand, what he received $1.00 for in 1913 he receives $1.31 for in 1923. The conclusion is perfectly plain, he loses 26 cents: or put it in other words, he is only 74 per cent. as well off in 1923 of what he was in 1913: he has slipped back 26 per cent. in 10 years. The wonder is not that the farmer is protesting, but that he is not protesting a great deal louder and more insistently.

The Remedy

It is a very natural thing for anyone who is suffering from an ill that affects his pocket to blame it on somebody else. If anything goes wrong, somebody is also to blame for it, and when the farmer finds he is being pinched he is quite sure that some evil person is cheating him. Perhaps he is; it is quite possible that the farmer is being hardly used by those who have the whip hand over him. But putting that aside, we may ask what is the fundamental reason for this impossible state of affairs? Of course, when we think it over carefully we see that the real fact is not that the prices of agricultural products are unduly low, but that the prices of manufactured goods are unduly high. Speaking generally, wheat at any price over a dollar a bushel, is fetching a very fair price. What would farmers thirty years ago have thought of wheat at, say, $1.10? The trouble does not really lie there, and the farmer recognizes it. What he wants is not necssarily higher prices for his goods but lower prices for what he has to buy. For instance, to take a simple example from our list of products; the farmer's wife is only getting 95 cents for a dollar's worth of eggs in the summer of 1923, but when she goes to buy woollen socks for her husband she has to pay $2.48 for what in 1913 she gave a dollar. She would not mind so much a loss of five cents on the dollar if she could get her woollen hosiery cheaper.

We must dismiss from our minds the idea that a pacified Europe will raise the price of farm products. On the contrary, it will lower them. But an economically restored Europe will very decidedly lower the price of manufactured goods for the simple reason that the industrial countries, unhampered by internal weaknesses will enter the world's markets with increased competition. What that will mean for manufacturers on the North American Continent is not hard to see. Either they are going to be beaten out of the market, not only in foreign markets but even in their own country, or they are going to reduce manufacturing costs, which of course means reducing wages.

It is fallacious to suppose that such a reduction of wages is going to be effected at the cost of the laborer. It is no worse than a scaling down all round of the cost of living. If a workman receives lower wages but finds that he can buy just as much as before with less money, how is he hurt? Of course the more intelligent grasp that quite plainly, but the less intelligent are still dazzled by the vision of money, whatever its buying power may be. The Germans are now experiencing all the delights of being millionaires.

If we can scale down prices for manufactured goods by reducing their cost of production, benefit will be conferred on all. The purchasing power of the farmer would be increased, and since basically all prosperity comes from the soil, a prosperous agricultural class must mean a prosperous industrial class. But the trouble is that in any imperfect world things do not work themselves out quite so simply as all that. All we can say to the farmer is to tell him to hang on, and sooner or, alas, later, what we have been describing must work itself out. But while the grass is growing the horse very often starves.

Socialism and Realities

FLOYD'S BANK MONTHLY.

Once upon a time a noble citizen of a certain country who had greatly contributed to the prosperity and wealth of the kingdom, and had been largely responsible for the successful issue of a grievous war in which his country was involved, was enviously and wrongfully accused by his enemies of being the sole cause of all the misery and wretchedness that afflicted the realm as a consequence of the war. They also decided that it was high time that his activities were circumscribed and his usefulness ended, and determined therefore to arraign him in Parliament and ask for the death penalty. A motion to this effect was duly made, but asking for his gradual extinction instead of pressing for an immediate execution, as it was considered more genteel to administer gradual doses of arsenic rather than chop off his head. We need scarcely press any further the analogy which is a fair picture of the situation as presented in the recent debates in the House of Commons. Some four months ago Mr. Philip Snowden invited the House to declare that "legislative effort should be directed to the gradual supersession of the capitalist system by an industrial and social order based on the public ownership and democratic control of the instruments of production and distribution." In spite of an extremely powerful defence by Sir Alfred Mond of the present system which thoroughly controverted the "ingenious but unsolid speculations" of Mr. Snowden, it was decided to spend another day in slaying the dead. It cannot be said that the adjourned debate has added much to the enlightenment of the subject, with the possible exception that the speeches and the voting have made it undeniable that our official opposition, which calls itself the Labour Party, has openly confessed its adherence to the tenets of Socialism, and should, therefore, be more correctly described as the Socialistic party.

The speeches in favour of Socialism were, in the main, repetitions of what Mr. Snowden had already said, and were distinguished by the same unsupported assertions which, in the minds of the speakers, passed for proof. Even Mr. Clynes, usually a fair-minded man, declared that the country is suffering from poverty unparalleled in its history due to the capitalist system, and he asked what could be said for a system which had given to Britain "the costliest workhouses in the world, which left hospitals dependent on charity, and which subjected millions of wage-earners to a level of subsistence lower than that of prisoner and paupers." Sir John Simon, in a searching analysis, had previously demolished the very argument that Mr. Clynes regarded as irresistible. He asked what ground was there for saying that the supersession of the capitalist system would guarantee employment for everybody, and quoted the example of Queensland which has had the benefit of having the Labour Party in power since 1915. They had introduced a comprehensive programme of nationalization, but so far from the practical application of socialistic principles proving a remedy for unemployment, the State has had a very heavy unemployment roll, and Sir John stated that in 1921 it had more unemployment, not only than any other State of the Commonwealth of Australia, but than any country in the world which published unemployment statistics. Sir John pressed home his case with some very pertinent and very awkward questions, but did not succeed in obtaining any definite answers. He asked if there is going to be any right to strike in the Socialist state, if there is to be a conscription of labour, and hour production and consumption can be rationed unless the number of mouths to be fed are also rationed. The practical side of the case was well put by Mr. C. E. Grenfell, one of the Members for the City, who pointed out that more harm was done to industry and more unemployment caused by the bad counsel of the Socialists than by any other means. "Whether intentionally, or through lack of understanding, they had preached 'ca' canny'," and what they had done was to encourage team-idleness and slovenliness on the part of the working man. Mr. Grenfell hit the mark. Unemployment, waste and poverty are due more to the pernicious doctrine of "ca' canny" than to the possession of capital in private hands. Mr. Ramsay MacDonald said that the prevalence of the doctrine was due to the wickedness of capitalism, but how would he ensure its absence under a Socialistic regime? The fact that the large amount of unemployment at present prevailing is exceptional, and largely, if not entirely, due to the war, is forgotten or ignored by the Socialists. How would they prevent war? Mr. MacDonald says that in the hands of the workers alone is the power to avert war. Then why was this power not used in 1914?

Capitalism is Blamed

The fact is that the Socialists base their case on the assumption that everything that is wrong in the present state of affairs is due to capitalism, and that everything that is good is due to the application of socialistic principles. Not only is this assumption manifestly unfair but it is simply ridiculous, and it would be just as reasonable, and just as true, to claim that everything that is good is due to Capitalism and everything that is bad to Socialism. The Socialist leaves human nature out of his count. Whatever system is in operation, with human nature as it is, there will be faults, and the problem that is urgent is to transform human nature and thus eliminate the faults.

"For forms of government let fools
contest,
Whate'er is best administer'd is
best."

No one asserts that our administration is perfect, but that is no argument for abolishing the system. Reform the administration, remove the faults, improve the good points, and better results will be obtained than by upsetting the system. The young athlete on his motor cycle who finds that his sound and perfectly good machine is only doing 59 miles an hour while he wants to go 60 has two courses of action. The wise man makes the necessary adjustments and does the requisite tuning up, enabling his mount to reach 65, the fool smashes his machine. It really is not requisite to burn down the house to obtain roast pork. "But," says the Socialist, "our plan is to be gradual; we do not ask for a revolution, but for evolution." Then why not "evolve" the present system,

(Continued on Page 15)

A Business Man For a Business Task

Hon. Thomas Andrew Low, the new Minister of Trade and Commerce, is a practical business man who should have a thorough grasp of the affairs of his department from the standpoint of Canadian manufacturers and exporters. He is a lumber merchant and manufacturer, being president of the Renfrew Machinery Co., president of the Renfrew Flour Mills, president of the Renfrew Refrigerator Co., president of the Renfrew Electric Manufacturing Co., president of the Renfrew Manufacturing Co., president of the Opeongo Mica Mines, president of the British-Canadian Export Co., and a director of the Renfrew Power Co. He was born in Quebec and educated in the Renfrew Public and High Schools. He has been connected with the lumber business since 1889. He organized the Renfrew Machinery Co. in 1909, for the manufacture of cream separators and gasoline engines and employs 350 hands. In 1904 he organized the Renfrew Manufacturing Co., for the manufacture of sash, doors and blinds and general contracting. In 1902 he organized the Renfrew Flour Mills and in 1912 the Renfrew Electric Manufacturing Co.

PERSONALS

HON. W. R. WARREN, K.C., the new Prime Minister of Newfoundland, was born in St. John's in 1879. He was educated at Bishop Field College in that city and at Framlingham School, Suffolk. Taking up law as his profession, he was caled to the Bar in Newfoundland after studying with Sir William B. Whiteway, a former Prime Minister of Newfoundland. He was afterwards in partnership with Sir Edward (now Lord) Morris. Mr. Warren has been in politics for over 20 years in Newfoundland, and has been successively Speaker of the House of Assembly and Minister of Justice and Attorney General. He represented Newfoundland at the coronation of the King. He is one of the leading counsel engaged in the Labrador Boundary dispute.

HARRY S. SPRAGUE, who has just been appointed trust officer at the head office of the Union Trust Company has been assistant trust officer of the company for the past four years. He graduated from the University of Toronto with the degree of Bachelor of Arts and subsequently represented in Canada N. W. Harris and Company of Boston and Montreal, one of the largest and best known bond houses in America. With the experience gained in finance, he then took up the study of law and later graduated from the Law School at Osgoode Hall, Toronto, and was duly called to the bar and sworn in as a solicitor of the Supreme Court of Ontario. With this wide course of training and with his personal knowledge of the Trust and Estates Department of this Company, he takes over the senior position in this department of the company's service as a trusted and well-equipped officer for the important duties devolving upon the office.

JAMES B. DUKE, the tobacco king, who has been interesting himself in Canadian power development projects recently, "is going to play from now on," according to one of his intimates. He has mapped out his play according to seasons. For three months of each year he will spend his time in his native south; three months at Somerville, N.J.; then three months at his new palatial home at Newport and the remaining three months he will devote to "play" in Europe. But though "J. B.," as he is affectionately called, says he is going to play, his friends know that he will still have lines from the tobacco world radiating to him, no matter where his habitat. He is now in France, expects to return to America soon, and undoubtedly by the time he sets foot on these shores, a merger of British-American Tobacco and Tobacco Products Corporation will have been completed, at least it will be in process of consummation. Mr. Duke is building a veritable palace at Newport, R.I. When it is completed some time next year it will represent an expenditure of well over $1,000,000 and will rank with the finest show-place estates of this country.

INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three cent stamp should be enclosed to cover a direct reply.

NORTHERN CANADA POWER

Reader, Port Hope.—Would like your opinion of the 6½%, 20-year bonds of the Northern Power Co. Are they first class bonds?

The Northern Canada Power bonds are well secured and the earnings to pay bond interest seem assured.

The directors of the company are: David Fasken, president, Toronto; James Aitheson, Joseph Wright, Toronto; F. P. Blackwell, New York; Alex. Fasken.

TRAVELLERS' LIFE

L. G., Halifax.—Will you kindly tell me if the Travellers Life Assurance of Canada, is a good company to insure with?

The Travellers' Life Assurance Company was organized in 1908 and operates under a Dominion license. At the end of 1921 it had assets of $1,392,901, and insurance in force of $14,047,515. As it maintains the necessary reserves required by the Insurance Department, it is safe to insure with. We would buy a non-participating policy.

COLONIAL

C. D. London.— I have owned some shares in Colonial Silver Mines since 1905 or 1906. It has never paid anything but was, I believe, a Cobalt property. Can you kindly inform me whether it has anything to do with the property mentioned in your issue of July 6?

The Colonial mine went into liquidation some time ago and the property lay idle for a number of years, being finally taken over by purchase by the Continental Company, which is now operating it with some success. It is the same property as was referred to in the clipping which you enclosed in your letter.

BELGO-CANADIAN PAPER

Reader, Port Hope.—Would you consider the new issue of preferred stock of the Belgo-Canadian Paper Co., a good investment? Is it good enough to exchange for a few shares of City Dairy preferred? If one could sell the City Dairy around 104 and get the Belgo-Canadian at 96.50, would it be advisable to make the exchange?

Belgo Canadian Paper Co. preferred shares are very highly regarded and are well protected both as to the security of the assets and as to earnings. We do not regard it as more attractive than City Dairy and see no advantage exchanging your City Dairy preferred stock for the preferred stock of Belgo Canadian Paper Co.

CANADA PERMANENT

Reader, Port Hope.—Do you consider the Canada Permanent Mortgage Corporation 12% stock a good sound investment for one who depends upon a small income for a living?

The Canada Permanent Mortgage Corporation is an old established institution and its stock should prove a good investment.

The directors of the company are: W. G. Gooderham, president, Toronto; E. R. C. Clarkson, vice-president; Col. A. E. Gooderham, Toronto; J. H. G. Hagarty, Toronto; John Massey, F. Gorion Osler, Wm. Mulock, K.C., Toronto; George W. Allan, K.C., Winnipeg; Archibald B. Campbell, W.S., Edinburgh.

DOMINION FINANCE

Investor, Toronto.—Is the Dominion Corporation of Toronto the "Dominion Financial Corporation" referred to in your inquiries department recently?

The Dominion Finance Guarantee Corporation of Toronto should not be confused with the Dominion Financial Corporation. The former has been conducting a successful business as a commercial bank for more than two years and has issued highly satisfactory reports. This company discounts commercial paper and its business is largely in connection with the automobile wholesale trade. In the operations of a concern of this kind a great deal of course depends on the judgment used in the selection of business, and THE FINANCIAL POST is assured that only preferred risks are being accepted. The company holds the note of the automobile purchaser, backed by the dealer, and secured by a lien on the automobile. Advances are generally on a basis of two-thirds of the value of the car. The company is protected also by insurance. Business is being confined to moderate-priced, utility cars and the statement is made that the great bulk of the loans made has been on machines used in connection with the owner's business. The company does not seek loans on high-priced pleasure vehicles.

WESTERN GROCERS

S. S., Toronto.—Will you kindly tell me what you think of Western Grocers at 48, preferred?

The restricted purchasing power of the West acted adversely on the trade of Western Grocers during 1922, as the annual report issued in March showed profits for the year of $140,305 as compared with $169,783. There was a balance forward of $38,049, and the preferred dividends called for the distribution of $167,202 of this, or $27,000 more than earned after depreciation, taxes, bad debts, etc., had been cared for. Surplus account and reserve stand at $154,271. Behind the stock are assets given at $7,973,000. The current assets include investments $1,096,000, while the total of current or working assets, totalling $3,638,000, was $100,000 below 1921. Goodwill and trade marks stand unchanged at $3,111,000. Among the liabilities is found bank loans, $1,798,000, while other trade liabilities reach $415,000. The business of the company is wrapped up in the progress of the West. The management have been conservative and careful. Inventories were well written down early in the period of depression. The preferred stock may be considered a fair business man's investment. We would doubt its suitability for a woman, particularly in view of the present uncertainty regarding the margin of profits on the year's crop.

The directors of the company are: W. P. Riley, president, Winnipeg; W. H. McWilliams, H. W. Hutchinson, Andrew Kelly, E. E. Hall, Winnipeg.

MUTUAL COAL MINES

Reader, Elora.—A client has been approached by an agent selling stock in the Mutual Coal Mines of Canada, par value $1. The form he is asked to sign does not state anything about the company or where mines are located. Would like to know where the mines are located, if they are a going concern, what quantity of coal do mines produce and whether you would consider it an investment to buy stock in the company?

The Mutual Coal Mines of Canada, Limited, have two properties, one in Southern Saskatchewan and the other in Alberta. Both properties, we are informed by the principals, are operating.

In Saskatchewan the proposition is one of lignite. They claim they have leases of 1,120 acres there. They declare that the brand of coal is very good. However, the general opinion of the coal of Southern Saskatchewan is that it is not good to ship. I noticed also, not long ago, that a clay operation in Southern Saskatchewan was bringing steam coal in from Alberta.

Just recently the company acquired 1,140 acres at Ardly, Alberta, which is in the Drumheller district. This coal is considered to be of better quality, but the coal of this district is not as good as the Galt coal of Lethbridge or the coal mined further north.

The market for Alberta coal is growing and is bound to continue to grow. At the present time the production is greater by far than the market. We would consider the purchase of stock in the Mutual as a mining speculation.

AN ENDOWMENT POLICY

Reader, Wingham.—I should like to consult you and receive your valued opinion on insurance. If you were taking out a policy, would you take a 20 year endowment and leave your profits or draw them each year? Suppose you had a policy for say $1,000 and it had been running for 5 years and death occurred. Would you receive the $1,000 plus the profits or just the face amount $1,000? I had an agent try to tell me that if death occurred any time before the 20 years expired I would only receive the face amount $1,000. Hence according to his story I would lose all the profits.

The 20-year endowment policy is a good one as it gives you insurance protection and provides for your saving a definite amount in 20 years. You then have the cash. If you are a married man and desire protection chiefly, it might be better to consider a 20-pay-life policy. On this plan you can secure a great deal more protection for the same premium, and the cash surrender value in 20 years on the larger amount of insurance would not be a great deal less than the value of the endowment. Moreover, the endowment matures in 20 years. You get the cash and have no insurance after that on the 20-pay-life policy you could let it continue as a paid up policy, if you did not need the cash.

The agent is right. If you die the $1,000 is paid and you lose the deferred profits. Some companies will place a special clause in a policy, if asked to do so, agreeing to pay the profits in such a case. Ordinarily it is better to take your profits annually or every five years.

"GUARANTEEING" A GAMBLE

G. W., Kansas City.—In the August 17, issue of THE FINANCIAL POST on page one there is a short write up regarding a mining company giving a bond to guarantee the return of the capital to investors. Would it be possible for you to get us some information regarding this plan of financing? We have used a similar plan in raising money but we have never been able to guarantee a return of capital and a profit at the same time. This write up says that for the $1,000 invested it is returned in 15 years in an amount of $1,450 as well as any profits that might have been paid during the 15-year period from the mine venture.

The plan outlined in THE FINANCIAL POST covering a joint trust and mining stock investment works out as follows: A Canadian trust company issues for a sum in the neighborhood of $625 a guaranteed trust certificate, which, on the basis of compound interest, returns $1,450 in a period of fifteen years. In addition to this certificate the investor secures for his $1,000 one thousand shares of mining stock, par value $1.00. Thus there is a margin of $375 available for the mine promoters. After the payment of commission amounting to 10% on the total of $100, there would still be a sum of $250 or more net as a return for the mining shares. This is on a basis of 25 cents a share which is satisfactory to the mine promoters.

The scheme is comparatively simple when it is looked at in this way. The investor really agrees to take a rate of around 3% on his $1,000 for fifteen years and he speculates with the difference between this rate and 6% in the purchase of mining stock. He is, in a sense, fooling himself but at least the proposition has the rather commendable feature that while the purchase of the mining stock is a gamble the tying up of the bulk of the money for fifteen years is perhaps a very good thing in the case of persons of speculative tendency.

RSC INVESTMENT SERVICE

Bond Buyers Congratulate Themselves

THOSE who have watched the stock market decline during recent months have had the fact brought home to them that good bonds represent investments which do not show serious fluctuation and from which, therefore, worry is eliminated during temporary periods of business depression.

EXPERIENCED investors invariably buy sound mortgage bonds to yield 6 per cent. to 7 per cent. instead of placing their available funds in speculative issues.

OUR list of bond offerings gives you a choice of issues which can be safely bought for long or short term investment. Write for a copy.

Royal Securities Corporation, Limited
164 St. James Street
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Shareholders are Entitled to At Least One Report Each Year

"A thing that strikes a foreigner about many Canadian investments and possibly also U. S. A. ones, is that they take your money and do not ever seem to, or be obliged to publish any accounts of what has been done with it. Such procedure, is I guess, contrary to the law in Great Britain."

The above point, brought out by an English writer to THE FINANCIAL POST, is well taken. There are hundreds of concerns, some going and some otherwise, in the Dominion, that never send their shareholders one word, one way or another, in regard the affairs of the company. Perhaps no better evidence of this can be found than the fact that weekly THE FINANCIAL POST receives numerous letters asking about companies that the shareholders have not heard of for years.

Here are some that were contained in one mail:

British Canadian Oil, 1915.
Black Diamond No. 2, 1915.
British Columbia Amalgamated Coal, 1907.
Winnipeg Cobalt Prospecting and Development Co., 1907.
Jewell Gold and Copper Mining Co.
Kenebrooke Gold Reserve Co.
East Butte Copper Mining Co.
Silver Leaf Mining Co. of Ontario.
Colorado Consolidated Mines Co.
Cobalt Contact Silver Mines Co.

It will be noticed that in the above list mining ventures predominate. Other branches of industry, however, are not immune. They did not happen along just at the moment, but are just as numerous at other times as mining.

THE FINANCIAL POST has long taken the point that shareholders are just as much entitled to information about the progress of a concern as are the directors. The latter are placed in their position to handle the affairs for the shareholders and are bound to, at least once a year, give a report of their stewardship. The best thing that can happen to any company is that there shall be a spirited contest for the various offices each year. It places the directors on their toes, and the result is that shareholders are continuously told of the trend of the company's affairs. Perhaps, in considering future amendments to the Companies Act, this question might be turned over. At present, concerns are obligated to file a statement with the provincial treasurer annually, but the officials at the building in charge seem to lack the necessary authority to enforce prompt returns to the end that they might be of value.

The Preferred Shareholder—and His Dividends

BARRON'S WEEKLY.

Preferred stocks of various and varying corporations, listed and otherwise, occupy a somewhat unique position with the investing public, standing as they do midway between bonds and stocks, generally yielding a higher return and frequently offering better opportunities for a speculative profit than bonds, but with more certainty of a regular dividend, on account of the preferred feature, and less subject to violent fluctuations in price than the common stock of the same corporation.

A dividend has been defined in the courts of the United States as that portion of the profits and surplus funds of a corporation which has been actually set apart by a valid resolution of the directors for distribution among the shareholders according to their respective interests, so as to become segregated from the property of the corporation and to become the property of the individual shareholders.

Discretion of Directors

It follows from the foregoing definition that if there is no law, contract nor governing instrument to the contrary, the declaring and paying of preferred dividends rests in the sound discretion of the directors, the preferred shareholders are bound by their action, and the courts will not interfere unless special circumstances are shown.

When Dividend Becomes Debt

It follows also that the obligation or right of the directors to declare a dividend cannot be treated as a debt, and that, apart from some statutory provision, a dividend does not become a debt nor confer upon the shareholders the rights of creditors until the dividend has actually been declared.

As the declaration of a dividend rests in the discretion of the directors, it follows that the directors cannot be compelled to declare a dividend, unless the directors have acted oppressively and in bad faith.

It also follows, logically, that if the directors have acted in good faith and legally, then the courts will not restrain the declaration of a dividend.

Rescinding Cash Dividends

May the directors of a corporation formally declare a dividend and then exercise the "feminine prerogative," change their minds, and cancel and rescind the dividend?

As the declaration of a dividend severs the amount thereof from the funds of the corporation, appropriates it to the shareholders and creates a debt in their favor, it logically follows that the declaration is binding upon the corporation and cannot be rescinded without the consent of the shareholders.

On the other hand, it has been held in the United States courts that if a dividend is declared, and, before any public announcement of the action has been made, the directors should reconsider the vote and rescind their action, the right to do so could not successfully be challenged.

On the other hand, if a dividend is declared when there are no profits to divide, then the directors may reconsider and rescind the dividend, as the existence of actual profits out of which the dividend is to be paid is the foundation of the right to declare it.

A stock dividend, however, stands on a different footing, and may be rescinded at any time before payment, even although it is based on surplus funds already earned.

Dividends Under Contract

Although the shareholders are generally bound by the discretion of the directors as to the declaration of dividends, the rule is different where the shareholders are entitled to a dividend under a contract with the corporation, and in this case the directors cannot deal with the funds of the corporation in violation of the contract.

A leading case on this point is Burk vs. Ottawa Gas Co., 123 Pacific Reporter, 857, decided by the Kansas Supreme Court, where a by-law of the company printed on its certificates provided that "the preferred stock shall carry a 6% per annum preferred, non-cumulative dividend payable on the first days of January and July in each year, out of the net profits of the preceding fiscal year, and a pro tanto dividend if such dividend falls short of 6%."

The Kansas Supreme Court decided that the preferred shareholders in this case were not entitled to a dividend out of the net profits of the company, not in the discretion of the directors, but as a matter of right, and that the directors were not justified in expending the profits in extending the company's plant where the corporate franchise did not compel such extension.

Guaranteed Dividends

Sometimes the right to preferred dividends is secured not merely by contract, but that contract is a guarantee which provides that dividends at a fixed rate shall be paid.

Then a holder of the guaranteed preferred stocks demands his dividends.

"There were no profits this year, and there is nothing to declare a dividend out of," the directors tell him.

"But my certificate guarantees a dividend, and that's got to be paid, even if you have to sell the assets of the corporation to do it," the shareholder argues.

"No, the guarantee simply applies to profits and no farther," the directors retort.

On this point the general rule is that, unless there is some law to the contrary, a guaranteed dividend is merely a guarantee that the dividend will be paid out of the net earnings of the corporation, and not that it will be paid out of the assets or capital.

There is no legal rule more firmly established than that which holds that a corporation which is a going concern cannot legally pay a dividend out of capital, but only out of profits on the ground that it would prejudice the creditors of the corporation. Neither may a dividend be declared while there are debts which would be jeopardized, nor while the capital is impaired.

Cumulative Dividends

As to whether a dividend is cumulative or non-cumulative depends on the "letter of the bond," but where dividends are guaranteed or where the certificates specify that the dividend is to be cumulative, then the right to such cumulative dividend is a fixed and enforcable one.

The extent to which preferred stock ranks ahead of the common depends upon the terms of the contract in each particular case. Suppose, for instance, that a corporation issues 7% preferred stock where the dividend is not explicitly restricted to this amount and also common stock, the profits increase, the directors propose paying 10% on the common stock, and the preferred shareholder argues.

"The preferred stock shares 50-50 with the common stock after the common stock has received a dividend equal to ours," the preferred shareholder argues.

This point does not arise very often, as the matter is generally governed by the charter of the corporation, or its articles of association, but, in the absence of any specific restriction, the preferred shareholders are entitled to share in the excess profits.

As the preferred stock certificate and the by-laws of the company really constitute a contract between shareholder and the corporation it follows that the dividend rate cannot be changed without the consent of the preferred shareholders, the other party to the contract.

Twinkle, Twinkle, Little "Star"

Editor, Ottawa Citizen: Canada is on the upgrade. The rising sun of prosperity, is mounting to the heavens. Everything is propitious for unparalleled progress. If anyone doubts it, let him read the following headlines taken from recent issues of the Montreal Star:

Retailers Benefit by Tourist Trade.
Prospect of Improvement in Steel Industry.
Prodigals Return from United States.
Unemployment is Fast Decreasing.
Liners Crowded with Harvesters.
Busy Week-end.
Great Influx into Quebec and Montreal.
Alberta Grain Crop Best Since 1915.
Bank Finds Factories Mostly on Full Time.
Retail Trade Good Says Bradstreets.
More Business and Higher Net Profits for Ont. Steel.
Artisans Coming in Large Numbers.
Labor Badly Needed in All North Ontario.
C.P.R. Ships Busy.
Lake Shore's Record; More Dividends Soon.
Plans to Sell French Market Canadian Paper.
Liner Doric Carried Biggest List to Port.
Quebec Will Ship All Ocean Cattle.
Doctors, Ministers, Professional Men and Skilled Artisans Arrive.
McIntyre Porcupine Excellent Showing.
Lake Steamers Busy.
Montreal Clearings up Over 9 Per Cent.
West Preparing for Fall Rush of Record Crop.
Improvement Shown in Wholesale Trade.
Over 4,000 Prospective Settlers Arrive Within Week.
Estimate Value of Quebec Crop at $200,000,000.
Stations Seethe With Harvesters.
Trade Better. Shoe Man Finds Outlook Greatly Improved.
$140,000,000 Rise in Total Trading Within 4 Months.
Gold Mining Record Broken in July.
U. S. Dairy Products from Canada Increase.
Increase in Canadian Silver Ore Exports.
Nickel Mines at Sudbury Better War-Time Output.
Can. Wheat Exports Show Big Increase.
More Farm Help is Ontario's Need.
Montreal's Remarkable Progress.
Record Year for Lumber Expected.
Lumber, Mines and Railways Using Thousands of Workers.
Newsprint Gain is $12,500,000 Over Year Ago.
C. N. R. Net Revenue $1,177,445 for June.

"O death, where is thy sting."—**THEOPHILUS F. DAY, 315 West 50 St., New York, Aug. 24, 1923.**

LETTERS TO EDITOR

EXPLAINING THE GRAND TRUNK CASE

To the Editor, "FINANCIAL POST"

Sir: In an article by Canadian Economist in England in your issue of August 17, the writer of that article suggested the advisability of the Canadian Government setting the matter before the people of Great Britain through the medium of the Quarterlies.

I don't know whether the writer of that article had full knowledge of what steps the Canadian Government has already taken, but, as a matter of fact, the Canadian Government has on two occsions sent broadcast to the Press in Great Britain, the true facts in connection with the acquiring of the Grand Trunk Railway by the Canadian Government, and in addition to these appearing throughout the Press, the High Commissioner has on three occasions, told the facts as briefly and clearly as they could be told. These statements have had such widespread publication that everyone interested must know the true facts, but there are thousands of speculators and others, who having acquired stock at different prices, are interested in trying to force the Canadian Government into making good the face value of these stocks, and any one who thinks that these people can be deterred by a repetition of the facts, is greatly mistaken. These people, as long as there is any hope in their minds of benefiting by any show of weakness on the part of the Canadian Government, will keep on their attacks while the Press will permit them.

Yours very truly,
A. E. Kirkpatrick.

36 Toronto Street,
Toronto, August 24, 1923.

Guide Book to High-grade Canadian Investments

The second edition of The Greenshields Review (Revised to date), is now ready.

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CURRENT OPINIONS

WAS IT FORESIGHTEDNESS

Halifax Herald

There is very often "gossip" in regard to public transactions; and the suspension of the Home Bank recalls an item of gossip that was current last year when the Canadian National Railways acquired a million dollar block in the city of Toronto. The block adjoins the Home Bank building. The "gossip" was to the effect that interests in the Home Bank were desirous that the National Railways should acquire the block referred to. The reason for that desire was said to be anxiety to sell the Home Bank building. On this anxiety was built the hope that the National Railways might some time find it advisable to acquire the Home Bank building. We may put two and two together in a matter of this kind. It may be chance. It may be foresightedness on the part of the interests of the Home Bank.

CAPE BRETON TALKS BACK

Sydney Record

"It is impossible for Canada to become the nation she should be if Labor and Capital are to be perpetually at daggers drawn." The quotation from Canon Scott's answer to the critics of his deliverance as to Cape Breton affairs is sound logic. Rev. Mr. Whalley's appeal, and Canon Scott's appeal for "a real and imperial" investigation of the whole industrial situation here is fair enough. But for anyone to prejudge the case upon the strength of insufficient—and in some cases incorrect—'facts' and to stigmatize Cape Breton upon the basis of such pre-judgment is not sound—and that is the only complaint this newspaper or any other of his local critics have made against Canon Scott. There seems to be a popular superstition that everybody who works at the steel plant or in the mines is a miserable half-starved degenerate dragging out a polluted existence in a dungeon. There seems to be a theory that, now and again, great hordes of grimy whiskered Bolsheviks creep out from the jungles and hell-holes where they are condemned to live by a heartless corporation, and dance the carmagnole and threaten public existence until they are driven back to their holes again at the point of bayonets. By all means, we have poor houses in some mining sections. By all means there are miners and steelworkers with some just complaints. By all means we need improvement. But in the name of fair play and brotherly love, is Cape Breton the only place on earth in this condition? Has Montreal no slums? In Toronto the Good are there never by chance any bank robberies or such? Why should Cape Breton be forever maligned on the strength of false or only half-true information? We shall welcome Canon Scott to visit us. We shall welcome every variety and form of honest investigation the country can offer. We shall hope to have any abuses that now exist cleaned away—including who have prevented formation of co-operative councils at the steel plant and have disrupted the miners' union. And after we have been investigated and corrected and adjusted, and the loud-mouthed 'Red' gentry who draw good salaries for making trouble have been gagged or plugged or treated with a serum that will make them reasonable and kind—after that we hope that now and again our Upper Canadian friends will manage to gasp out a kind word for Cape Breton, leaving us free down here to conduct special investigations into what's going on along the Ontario-American border, and the doings by night in those sections of Montreal which one never mentions in drawing rooms."

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PROBLEMS TOO DEEP TO SETTLE AT CONFERENCE

(Continued from Page 1)

must be considered. There is no use telling them that they are the salt of the earth and then doing a number of things that they are known to oppose."

It may be taken for granted that the Government will pay much attention to what the West has to say on matters generally, for political developments in Ontario have shown that it is to the West that the Government must look for support. The recent statement of policy given to to the public by Hon. T. A. Low, the new Minister of Trade and Commerce, also shows that the West is bulking large in the estimation of the Government. Now there is nothing the Western Progressives in Parliament go at quicker than they do at anything that suggests taking counsel with the "Big Interests." This is one reason that makes the cabinet very cautious about surrounding itself with economic advisers.

There is also an impression that the Government fears it might be open to the charge of providing a joy-ride for a certain favored few, if it took over what might be called a representative party. Such persons would naturally be friendly to the Government, and this very fact would be almost certain to evoke criticism. The indications are that there is much of this coming on the general charge of heavy expenditure and taxation, and the Government may be depended on not to do anything that is likely to increase this.

It is also observed that there is very little in the advance proposals to be submitted to these conferences with which Canadian governments are not familiar. While there is no desire to underestimate the value of suggestions that may be made by representatives from the other Dominions, it is pointed out that in the matter of preferential trade Canada is nearly 25 years ahead of the rest of the Empire, and that for the most part Messrs. Bruce and Smuts are only recent converts to a policy that Fielding put into effect in 1897.

The chaotic state of things in Europe is making official opinion here rather skeptical of the results of the Economic Conference, for it is to the United Kingdom and Europe generally that all portions of the Empire, especially Australia, New Zealand, and South Africa look for their most important external markets. The conclusion is that as these important old-time customers can't buy as they used to do, then a number of alternative proposals made will, for the most part, result in vain attempts to get around a corner.

COLLAPSE OF HOME BANK WILL SPUR ON PROGRESSIVES

(Continued from Page 1)

as usual, the July bank statement showed no indication of them. There is an impression that these statements will continue to be made in the same old way until the new act comes into force, and that weak banks having to merge in order to protect themselves will seek strength by a union with others.

It would appear that Canadian banking is about to enter a new phase. The evidence of Sir John Aird and other outstanding bankers before the Banking and Commerce Committee showed that there are too many branch banks, that these increase the cost generally of doing business, which must be reduced, if stability is to be maintained. One of the easiest ways to close branches is through a merger, for naturally duplicating institutions in a community disappear. With the disappearance of the Home Bank altogether and the merging of the Hamilton with the Commerce, many branches will close their doors.

As this will reduce the number of employees, it will be rather hard on rising banking ability, which will have fewer opportunities to show itself. This, with the bringing in of quite a few clerks from Scotland to learn the business, may send quite a little young banking talent to the United States, where Canadian bankers of experience usually do well.

These changes, which appear to be inevitable, show that now, as in the past, the course of Canadian banking is being shaped, not so much by legislation, as by the action of the banks themselves. It thus works out that Parliament by legislation gives effect to changes on the advice chiefly of the bankers who know most about their own business.

New York interests are having an examination made of the Servais group located in the southern part of Teck Tp., Kirkland Lake. There is a large thirty foot quartz and iron sulphide vein running from the south west to the northeast over the six claims.

NEWS AND VIEWS ABOUT BONDS

INVESTORS SHOW MORE INTEREST IN BOND MARKET

Trading Still Dull; Prices of Victories Advance Slightly

Some improvement in the bond market has been noted this week and dealers feel that, on the whole, the August sales have held up well. Selling has not been brisk on account of the summer season, but prices have suffered smaller losses than in the United States. The insurance companies and other investing institutions have not been seeking investments but they have been taking up any offerings made at lower prices. This has tended to hold prices firm.

The uncertainty in the bank situation has resulted in some firms receiving numerous small orders over the counter. A large part of these were filled with Victory bonds, and the result is seen in moderate advances in some of the Victory Loan issues. While trading is still contracted, salesmen report an increased interest in the market by private investors.

Some interest in Canadian bonds has been observed from London, but it is unlikely that buying will be developed in that quarter for some time.

Hanover Sells Bonds

Bird, Harris & Co. were awarded $60,000 town of Hanover 5½ per cent. 30-instalment bonds at 100.866. The tenders were:

Bird, Harris & Co.	100.866
Gairdner, Clarke & Co.	100.632
Bain, Snowball & C.	100.38
Stewart, Scully & Co.	99.93
W. A. Mackenzie & Co.	99.86
A. E. Ames & Co.	99.59
Wood, Gundy & Co.	98.13

Buy Pickering Issue

The township of Pickering sold $51,000 5½ per cent. 20 and 30-instalment bonds to J. L. Goad & Co. at 102.128. The bids received were:

J. L. Good & Co.	102.128
Bird, Harris & Co.	101.74
Matthews & Co.	101.72
Nesbitt, Thomson & Co.	101.66
Dyment, Anderson & Co.	101.60
Bain, Snowball & Co.	101.594
Bell, Gouinlock & Co.	101.46
Stewart, Scully & Co.	101.43
Municipal Bankers Corp.	101.41
Gairdner, Clarke & Co.	101.37
W. A. Mackenzie & Co.	101.31
C. H. Burgess & Co.	101.08
W. C. Brent & Co.	100.804
A. D. Morrow, & Co.	100.87

Award Renfrew Bonds

The town of Renfrew awarded a block of $22.465 6 per cent. bonds, repayable in 20 instalments, to W. A. Mackenzie & Co., at a price of 104.22. At this price the cost to the town is 5½ per cent. Tenders were:

W. A. Mackenzie & Co.	104.22
A. D. Morrow & Co.	103.72
Bain, Snowball & Co.	103.25
C. H. Burgess & Co.	102.54

Tenders were also called for a block of $12,500 5½ per cent., repayable in twenty instalments, but this block was not awarded.

The bid of C. H. Burgess & Co. applied to both issues.

"WHISPER" FRIGHTENS NEW IMMIGRANTS

Only Result of Montreal Star's Campaign Has Been to Injure Canada

From Our Own Correspondent.

MONTREAL.—The net result of the Montreal Star's "Whisper of Death" campaign so far has been to injure none of the public men whom it declares are so delinquent but to do lamentable injury to Canada's credit and reputation, says the Montreal Herald in a reply to the dangerous whisperings of the Star. The Herald proves its case by quoting the recent despatch to THE FINANCIAL POST from its New York correspondent, which indicated that the Star's "wail of tragedy" was causing some concern in New York as to the financial position of Canada and Canadian firms. This despatch, which the Herald characterizes as "illuminating," illustrates, it says, the effect of the Star's campaign abroad.

An example nearer home is also given of the pernicious influences the Star's jeremiads are having. A letter is published written by a newly-arrived immigrant. This immigrant decided to sell his property in the old land and try his fortune in Canada. He arrived here in due course with his wife, three fine healthy boys and two girls—just the material that Canada wants—and in addition to his splendid family he had a Bank of England credit for some £5.000. 0. 0. His intention was to investigate conditions in this Province and Ontario and failing to suit himself here to try the Western Provinces. He is now contemplating going to Australia, and the reason is contained in a letter to a Montreal business man in which he says:

"I fear I have made a mistake in coming to Canada, if conditions are as black as painted in one of Montreal's leading journals, the Star. I think I had better return. I was in treaty for 640 acres, all under cultivation, but I have called it off for the present. What do you advise? I can pay for my farm and stock it, but if we are going to be swamped with taxation, we might as well have stayed at home."

BIG TOURIST BUSINESS

ST. JOHN.—The number of tourists from the United States entering the province of New Brunswick has this year is reported to be far in excess of the number in preceding years.

Warns That Bond Prices Cannot Rise Much More

Commenting on the rises in the price of the British Government loans in London early in August, the Express, published by Lord Beaverbrook, issues a warning. It says:

"Let no one, however, run away with the notion that the advance is likely to be continued. The Sunday Express holds to the opinion that over the next four or five years the general tendency will be downwards. Now and then temporary factors may arrest the process for a time, but the trend will be resumed.

"Whether it will be limited to three or four points, or extended to as much as ten points, no one can say. That will largely depend on international developments and other uncertain factors."

MORTGAGE BONDS ON STEAMSHIPS SOUND

Great Lakes Transportation Issue Offered; Maintain Sinking Fund to Retire Debentures

Special interest is attached to the issue of first mortgage steamship bonds of the Great Lakes Transportation Co. This is not the first time that Canadian investors have been offered this sort of bond, but the investing public is not familiar with their history and standing. Bonds secured by mortgages on steel freighters on the Great Lakes have in the past exhibited a high degree of safety. A well known trust company executive, who has made a study of this type of bond, declares that there is no record of any investor losing principal or interest on them. In the state of Michigan a bond issued within a year after the launching of a steel freighter of 5,000 tons or over is a legal investment for state banks.

As in the case of the present issue, the bonds are usually secured by a direct mortgage on a particular boat and are, in addition, a floating charge against the assets of the proprietor company. The issue now being offered by Murray & Co. and McLeod, Young, Weir & Co., is for $500,000, and a sinking fund will be maintained to retire the entire issue by maturity.

Ottawa and Hull Bond Issue is Now Offered

From Our Own Correspondent.

MONTREAL.—The bond issue in connection with the Ottawa and Hull Power Company change of control and extensions is now being offered. The bonds total $2,500,000, bear 6 per cent. interest and mature in 1948. They are being offered by Nesbitt Thomson and Company at 98½ to yield 6⅛ per cent.

These bonds rank as a first charge on the entire fixed assets of the company. The funded debt will total $62 per developed horse power, somewhat below the average. Earnings for the twelve months ended December 31 last are given as $238,739 or one and a half times interest charges and increased earnings are anticipated from the installation of a third unit of 9,000 h.p. and later from the company's interest in the Ottawa River Power Company.

The Big Shareholders of Bank of Hamilton

Following are the heaviest shareholders in the Bank of Hamilton: W. J. Aitchison, Hamilton, 200 shares; Cyrus A. Birge, Hamilton, 605 shares; Estate of John E. Brown, Hamilton, 486 shares; George C. Carscallen, Hamilton, 180 shares; A. S. Coleman, Burlington, 224 shares; Confederation Life Association, 380 shares; Charles C. Dalton, Toronto, 300 shares; Mrs. Lillian Darling, Toronto, 251 shares; Wm. S. Davis, Oakville, 175 shares; Mrs. Florence M. Eastwood, Hamilton, 310 shares; Mrs. Helen G. Evans, Hamilton, 388 shares; Mrs. Jean L. Finnie, Winnipeg, 286 shares; Estate of late Sir John Hendrie, 400 shares; Manufacturers' Life, 416 shares; Hon. A. McColl, Simcoe, 400 shares; Mills Brothers, Hamilton, 500 shares; Mrs. Wm. Gibson, Hamilton, 335 shares; W. A. Wood, Hamilton, 406 shares.

CANADA TRUST IN B.C.

The Canada Trust Company is extending its operations to the Province of British Columbia through the establishment of a branch in Victoria.

The new branch will be under the management of R. H. B. Ker, of the firm of Brett-Ker Limited, prominent in British Columbia financial circles. Mr. Ker is a son of the late David Ker, of the Brackman-Ker Milling Co., Ltd. He is widely known throughout the province.

The Canada Trust Company, which is managed in connection with the Huron & Erie Mortgage Corporation, will feature at its new branch the management and administration of estates. It now operates in the Provinces of Ontario, Quebec, Manitoba, Saskatchewan, Alberta and British Columbia.

CONCISE REPORT OF CITY FINANCE EASILY STUDIED

Edmonton Prepares Excellent Analysis for Holder of Its Bonds

Discussions as to the best form of drawing up information regarding the finances of a municipality for presentation to bond dealers and investors take place from time to time. Many advances are being made in this respect in Canada, such, for instance, the precedent established by Revelstoke and some other cities of setting apart a special page of their annual reports for a concise summary of the city's financial position and the attractions generally of its bonds. The value of such a statement can best be realized by the investor or bond dealer who has tried to draw up a satisfactory financial statement from the average city's annual financial report. For instance, the report of the city of Quebec that was issued this week is of considerable value to the councillors and taxpayers but conveys little useful information to the holder of the city's bonds. Quebec, it must in fairness be stated, uses other means of telling holders and prospective purchasers of its bonds of its financial condition.

A Form Out of the West

From David Mitchell, city controller of Edmonton, THE FINANCIAL POST has received a copy of a form telling the facts about Edmonton and its financial position which that efficient civic official submits as a contribution to the working out of this problem.

The circular starts off with an adequate story of Edmonton's many civic advantages; the intangible elements beyond the bond issues of the community. Follow comparative figures of the population in 1911 and 1921 and, of course, the area. Then figures of building permits, bank clearings, gross earnings of public utilities, street railway passengers, number of telephones in service, number of electric light consumers, number of water consumers, all definite evidences of growth.

Analyzing the Debt

The gross funded debt is shown together with an analysis according to the plan approved by the bond dealers' association for determining the net debt of the city. Figures are given also of the net public school debt and the net Roman Catholic school debt.

Comparative figures for 1921, 1922 and 1923 are given of the net municipal assessment, the tax rate, the tax levy and tax collections, and of the net results of each of the civic utilities, the 1923 figures being for the first six months. The statement is signed by the city commissioner and the mayor and is dated, a detail often overlooked by city treasurers in preparing such reports.

Results of Utilities

From the statement the following figures are extracted of the comparative results of operation of the civic utilities for 1922 and for the first six months of the present year. Capital and depreciation charges have been deducted before determining these surpluses:

Surpluses	1922	1923 1st 6 Mths.
Elec. light & pr.	$118,628.71	$ 55,224.40
Power house	93,042.51	6,236.81
Telephone	96,796.88	45,322.15
Waterworks	46,814.40	21,192.92
	$355,283.50	$127,977.28
Deduct Deficit Street Railw'y	5,476.66	4,460.55
Net surplus	$349,806.84	$123,516,73

UNLISTED BONDS

	Bid	Ask
Abitibi Gen. Mtge. 6's 1940	95¾	96¾
Algoma Steel 5's, 1962	40	43
Am. Sales Book 6's, 1927	98	..
Ashdown Hard. 5%, 1928	91	..
Brompton P. & P. 8%, 1941	108	110
Can. Machinery 6's, 1940	75	...
Canada Salt 7's, 1941	101	..
Davies, Wm. 6's, 1926	..	94
Dom. Iron Steel 5's 1939	79	81
Dunlop Tire 6's, 1927	98.50	
Dom. Sewer Pipe 6's, 1927	94½	..
Dominion Mfg. 6's, 1933	82	87
Eastern Car 6's, 1952	93½	..
Gord. Iron & Fare 6's 1927	..	40
Harris Abbattoir 6's, 1928	99	..
H. Smith Paper 7%, 1941	100	102
King Ed. Hotel 7's, 1933	88½	..
K. & S. Tire 7's, 1935	75	80
Lake Superior Pap. 6's 1941	103	Bid
Marcus Loew's 8% Notes	..	94
Mettagami Pulp, 6's, 1937	64	..
Mattagami Pulp 7% deb.	33	36
Morrow Screw 6's 1931	84	..
Mt. Royal 8% deb. 30% c.	74	78
Neilson's Wm. 6's 1933	97	..
Simpson Robt. 5's 1952	85	..
Spanish River 8's, 1941	106	107
Stan. Clay Prod. 6%, 1942	..	90
Western Power 5's, 1949	84	86
Whalen Pulp 7% deb. 1932	63	65

BOND MOVEMENTS OF THE WEEK

Week Ending August 28.

BONDS—	Int. Rate	Due Year	Yield	Range High	1922 Low	Range High	1923 Low	Latest Ask	Price Bid	Week High	End Low
Bell Telephone	5	1925	5.40	98	94	101.90	97	—	97	99¼	99
Can. Foundries	6	1940	6.84	92	92	91¼	91	91¼	—	91¼	—
Montreal Trams.	5	1941	5.32	93¼	87½	96¼	89¼	91¼	—	96¼	91⅛
Ogilvie (B)	6	1932	5.55	102½	100	103¼	102¼	103¼	—	103¼	—
Porto Rico Rly.	5	1936	7.30	83	75¼	84½	80½	86	—	84½	80½
Quebec Rly.	5	1939	7.05	87¼	65½	82	68	81¾	80¼	81	80
Rio Janeiro	5	1935	6.60	87¾	76	87	84	87¼	86¼	86¼	—
Span. River Pulp	6	1931	5.50	115	83¼	106	103½	103½	—	103¾	—
Wayagamack	6	1951	7.75	88¾	71¾	86¾	80	—	79¼	81¾	80
War Loan	5	1925	4.68	96.30	96.10	100.95	99.10	100.85	100.75	100.65	100.48
Do.	5	1931	4.81	99.60	96.25	103.80	99.80	101.40	101.30	101.80	100.90
Do.	5	1937	4.75	101.50	99.50	103.30	102.00	102.65	102.55	102.40	102.05
Victory Loan	5½	1923	4.78	100.70	98.75	100.95	100.00	100.45	100.35	100.40	100.00
Do.	5½	1924	4.88	100.75	98.00	101.40	100.25	100.90	100.80	100.90	100.45
Do.	5½	1927	4.75	102.70	99.75	103.50	102.10	103.10	103.00	102.85	102.10
Do.	5½	1933	4.79	104.35	101.25	106.70	104.40	105.95	105.85	105.95	105.55
Do.	5½	1934	5.09	101.35	98.80	103.90	101.30	103.55	103.45	103.55	103.00
Do.	5½	1937	4.75	106.35	103.00	108.45	106.50	107.85	107.75	108.00	107.45
Do., Renewal	5½	1927	5.12	101.10	99.40	102.80	101.00	101.70	101.50	101.40	—
Do.	5½	1932	5.14	101.00	99.70	103.00	101.00	102.80	102.70	102.50	102.35

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MONTREAL

TAX RECEIPTS HIGHER

NELSON—Tax collections here this year have set a new record. Up to the first of August receipts totalled $98,750, an increase of $5,000 over receipts up to the end of August last year.

In addition this year's taxes are on a levy of $115,000 as against $110,000 last year.

CANADA SHOULD NOT EXPORT ITS RAW MATERIALS

(Continued from Page 1)

tal and greater employment, but would probably bring in about $200,000,000 a year. As to pulpwood, during the past ten years Canada has been exporting about 1,000,000 cords a year, this year's exports being about 2,000,000 cords. At the average price of $10 a cord this had brought in about $100,000,000. If it had been exported as manufactured paper, it would have brought in an enormously greater amount.

"Our trade statistics show that about 50 per cent. of our exports are in manufactured goods," said Mr. Smith, "These figures may surprise you, but they are correct, and they show that Canada can and does manufacture goods that are required throughout the world, and goods at such prices that the rest of the world is willing to buy them. But the Canadian manufactures are up against the lack of combinations to handle the export business. Some are afraid that if that were done there would be a cry about the bloated manufacturers' forming combines to gouge the public. But if export trade is to be developed and carried on successfully, it must be done by combinations of manufacturers. One alone may get a certain amount of trade, but he certainly could not get either the trade opportunities or the necessary information that could be secured by groups or combinations. This was early discovered by the Germans, and led to their cartel system, which was soon also adopted by Great Britain. The adoption of such a system in Canada would, I am certain, lead to much further development in our export business."

SOUTHERN CANADA POWER

Gross earnings of the Southern Canada Power Co. for July, 1923 totalled $75,952 as against $68,725 for the same month last year—an increase of $7,227. Operatin expenses for last month amounted to $36,758 as compared with $32,560 for the same period last year, being an increase of $4,198. Net earnings therefore, stand at $39,193 for July, 1923 as against $36,164 for July, 1922, an increase of $3,029.

Gross earnings for the ten months of the fiscal year to date total $776,007 as against $699,568 last year. Operating expenses amount to $346,785 this year against $309,821 last year, leaving net earnings at $429,222 against $389,746, an increase of $39,476.

CIVIC AND PROVINCIAL FINANCE

PULP AGREEMENT IS NOW APPROVED BY NEWFOUNDLAND

Legislature Makes Headway in Clearing Up Financial Troubles

The most notable legislation of the recent session of the Newfoundland legislature, which ended on Aug. 18, was that which legalized an agreement between the executive government and the Armstrong-Whitworth Co., of England, for the establishment of a $20,000,000 pulp and paper industry in the Humber River Valley on the west coast of Newfoundland. Half of this capital had been raised under a twenty-five-year guarantee from the Newfoundland Government, the other half being guaranteed by the British treasury.

When completed, the new development will form a valuable addition to Newfoundland's pulp industry, the chief plants operating to date being the Northcliffe mills at Grand Falls. It is expected that the new plants will be a big factor in enabling the Dominion to pay off the burdensome debts which accumulated during and after the war.

Another feature of the session was the passage of an act to authorize the Government to purchase from the Reid Brothers all their railroad property in that country. This concern has been operating the Newfoundland road since 1898. The Government now takes over the road and pays the Reids the sum of $2,000,000 as a complete quit-claim.

The railway got into difficulties during the war and has been a source of worry to successive governments. The definite arrangement now made will clear the air. The railway will be operated at present by a commission headed by Hon. W. W. Halfyard, Colonial Secretary. Hon. Tasker Cook and Hon. George Shea, both members of the legislative council, take the place on the commission of the auditor general and the government engineer as at first named by the prime minister. An attempt will be made later to secure an operating contract with a private company.

During the session the legislature has also authorized the Warren government to raise a loan of $3,500,000 to meet miscellaneous outstanding obligations.

QUEBEC CITY DEBTS SLIGHTLY LARGER

City Treasurer's Report Indicates Increase in Debentures of City Outstanding

From Our Own Correspondent.

MONTREAL.—Quebec City had on April 30 last a net debt of $15,637,094, according to the city treasurer's report, which has been issued by that official, P. N. Verge. This compares with a debt of $15,320,375 at April 30, 1922.

During the fiscal year, ordinary receipts were $2,457,510 and ordinary expenditures $2,457,461, the surplus being $49. Collections, according to Mr. Verge, were somewhat difficult, the percentage of taxes collected being only 74.13 per cent. (not including school taxes). This was the lowest percentage in six years. The collection of taxes for 1923-1924 presents a brighter outlook.

The city's debentures payable in England total $8,022,198 and in the United States and Canada $8,213,320, and the sinking fund amounted to $598,423.

The Canadian National reports earnings for the week ending August 21, amounting to $4,983,693, being an increase of $438,505 or 10 per cent. as compared with the corresponding period of 1922. Gross earnings from January 1, to August 21, have been $152,559,185.

Peace River Finances in Improved Position

From Our Own Correspondent.

EDMONTON.—An unusual situation in the way of municipal financing in Alberta is that of the town of Peace River, which has no debenture debts, has come so far this year without adding to its borrowings from the bank, and has repaid $4,000 of bank loans from previous years. All current salaries have been paid to the end of August, and even the school accounts are taken care of. The town's only liability is 20,000 owing the bank on previous borrowings, and against this there are tax arrears of $55,000 still outstanding.

Peace River is very well satisfied with its introduction this year of property and business taxes, which are largely responsible for its improved standing. The town has also adopted a policy of strict economy, and no public improvements except of an absolutely necessary character will be made until the remaining debts are cleared off.

MONTREAL RECEIPTS EXCEED ESTIMATES

Treasurer Reports No Large Loans Maturing Before 1930 After This Year

The sinking fund of the city of Montreal is increasing $1,200,000 a year and now totals $7,299,818, according to the annual report of the city treasurer and the city comptroller for 1922, which was issued recently. The present total represents the yearly appropriations and accretions due to interest covering a period of ten years.

The total funded debt of the city is now $125,875,351, a part of which matures nearly every year from now until 1962.

The total receipts for the year were $59,201,035, of which $24,863,885 were from revenue account. This represents an increase over the previous year of $1,381,939, and exceeded the estimates by over a million dollars.

The disbursements totalled $58,183,533, less by $268,388 than those of the previous year.

Loans totalling $30,673,582 were issued during the year. The city has to provide for a loan of $3,808,000, due Sept. 1, 1923. No loans fall due in 1924 and none exceeding $1,000,000 will be due before 1930.

The report makes a comparison of the 1914 assessment values with those in 1922. It shows an increase from $623,200,413 in the former year to $709,324,469 in the latter.

Tenders and By-Laws

Sept. 1, County of Peel—$18,000, 5½ per cent., 10-instal. debentures. L. H. Willis, County Clerk, Brampton.

Sept. 3. Smith's Falls.—$20,000 6% 5 instalment bonds. C. A. Patterson, M. D., Chairman, Finance Committee.

Sept. 4. Hanover.—$7,600, 5½% 30 instalment debentures. John Taylor, Clerk.

Sept. 5, County of Ontario.—$35,000, 5½%, 20-instal. debentures. E. W. McKay, County Treasurer, Whity.

Sept. 1, Newmarket.—$55,000, 5½%, 30-year debentures.

Sept. 10, Preston.—$51,527, 5½% and 6%, 20-instal. debentures.

SASKATCHEWAN

Authorizations granted by the local government board from August 5 to August 19, 1923.

Schools.—Bodmin, $600; Waterview, $1,350; Glenavon, $6,000; Craneshill, $3,500; Jack Pine Valley, $4,000; Cavell, $900; Jansen, $5,500; Reinche, $1,000; Bengough, $6,000; Adamiwka, $2,700; Bright Valley, $1,000; Little Bluff, $2,300; Naomi, $4,000; Aetesian, $7,000.

Telephones.—Ines, $600; Glenavon North, $130; Pleasantdale, $9,475; Rosetown Northern, $1,700; Esterhazy, $300; Briercrest Northern, $525; Briariea, $14,750.

Town of Indian Head, $4,622.

City of Moose Jaw, $10,437.

Debentures reported sold.

Schools.—Alva, No. 3806, $1,200, 10-years, 7%, Regina Brokerage & Inv. Co.; Belmont, No. 2040, $1,000, 10-years, 6½% Regina P. S. S. Fund; Waverly, No. 1318, $4,500, 20-years, 6½%, Regina P. S. S. Fund; Runnydale, No. 133, $3,000, 15-years, 6¾%, Regina Brokerage & Inv. Co.; Imperial, No. 559, $4,500 10-years, 6¾% Regina Brokerage & Inv. Co.; Raymore, No. 2611, $21,500, 20-years, 7%, Cross & Co., Regina; Cataraqui, No. 1012, $2,000, 5-years, 6½%, Regina P. S. S. Fund; Ozeranka, No. 644, $1,200, 10-years, 7%, Cross & Co., Regina; Manville, No. 658, $1,500, 10-years, 8%, C. Raymond, Skull Creek; Dixon, No. 172, $700, 7-years, 6½%, Can Landed & Inv., Winnipeg; Maynard, No. 1,709, $1,500, 10-years, 7%, Cross & Co., Regina; South Lake, No. 774, $2,000, 10-years, 6¾%, Regina Brokerage & Inv. Co.; Goldridge, No. 3206, $3,500, 15-years, 6½%, G. Moorehouse & Co., Regina; Stoney Hollow, No. 4486, $1,000, 10-years, 7%, F. Toms, Redveers; Delisle, No. 2471, $7,500, 15-years, 5½%, Nay & James, Regina; Mydale, No. 908, $3,000, 10-years, 6½%, Regina P. S. S. Fund; Lintlaw, No. 4456, $1,000, 10-years, 7%, Cross & Co. Regina; Elfros, No. 2463, $2,300, 20-years, 6½%, Cross & Co., Regina; Netherby, No. 2372, $2,000 10-years, 6½%, Regina P. S. S. Fund; Regina Beach, $2,000, 20-years, 7%, Bond & Deb. Corp.; Farnham, No. 4521, $3,000, 10-years, 6¾%, H. J. Birkett, Toronto.

YORATH SUGGESTS DOMINION TAX TO COVER EDUCATION

Survey Sums Up Problems of Municipal Finance Suggests Remedies

In a special civic survey of Edmonton's finances and administration, C. J. Yorath, city commissioner, outlined some of the present difficulties in municipal financing. Speaking of necessary reorganizations, he said:

"Economic conditions warrant a thorough investigation by each governing body responsible for taxation, into every public service, with the view to reducing expenditures to the lowest possible minimum but at the same time retaining the maximum of efficiency with the money that can be reasonably collected by the imposition of taxes which will not result in the confiscation of property or the depression of business.

"It is impossible for the country or any community to develop, if production is retarded by excessive taxation. It is imperative that we change our idea of getting all that is ideal until we can pay for it, and in the meantime, get the best we can afford to pay for.

"Any reorganization or readjustment, if carried out in a haphazard manner, will result perhaps in greater waste than has occurred in the past, with a lavish expenditure of public funds. Reorganigation there must be, but it will require to be on sane lines, retaining as far as possible essentials and eliminating those services which although considered necessary can be dispensed with under present conditions."

In considering the position of Edmonton in particular, he affirms:

"At present, and for the past few years, conditions have been such that the number of taxpayers on the roll are getting less and the burden of taxation on those remaining is becoming so heavy that there is a possibility of the revenue base becoming seriously involved."

He points out that the citizens of Edmonton, numbering 67,214 in 1913, had to assume government expenditures totalling $4,736,185, of which $1,533,151 was on account of the Dominion and Provincial governments. In 1923, with a population of 58,627 the expenditure had increased to $7,047,533, of which $3,403,538 was on account of the Dominion and Provincial governments.

The report continues:

"On account of the indirect method of taxation adopted b, the Dominion and provincial governments, the average citizen does not realize the amount of taxes he has to pay or how taxation affects the cost of living. For instance, while the following taxes are imposed and collected from the retailer or wholesale house they have in large part to be paid by the consumer: Sales tax; stamp tax; duty on merchandise; gasoline tax; corporation tax; license fees, etc. One firm in this city last year paid nearly $200,000 in taxes to the Dominion, provincial and municipal governments, and of this amount approximately $22,000 was paid to the city. Another firm paid $75,000, of which $4,020 was paid to the city, and another $52,000, of which $17,790 was paid to the city."

A statement is given showing the increase of the gross debenture debt from $6,610,396 in 1910 to $13,810,197 in 1912, to $28,791,932 in 1914, and to $32,195,655 in 1922. From this the commissioner concludes:

"It will be seen from the above statement that the debt of the city during the years 1913 and 1914 increased by over one hundred per cent. and it is the very large expenditures incurred during these years which is the cause for the excessive load of annual fixed charges upon the taxpayers of to-day."

In summing up he states the problem definitely and suggests possible remedies as follows:

"At the same time that the expenditures of the city have been increasing the source from which revenue is obtained has been diminishing (a) by the city acquiring title to property and (b) through the increased taxation of the Dominion and provincial governments? Under such circumstances it is impossible.

"(a) To continue expenditures upon the same basis in the future as in the past and it is certainly out of all question to contemplate any increased expenditures on education or any other service.

"(b) For the city to continue under the present system of taxation, to pay 100 per cent. of the tax levy for school purposes and to pay 100 per cent. of the interest on its debenture issues when the cash revenue collected falls short of the total expenditure by over 20 per cent.

"The above is a plain statement of fact and the residents of the city cannot expect to retain the present standard of service in any department including education, unless they themselves are prepared to pay for it, because vacant unimproved property is not and has not been providing the necessary funds.

"To continue the present system is bound eventually to lead to a disaster, an event which can only be postponed by a very exceptional era of prosperity, unless the adjustments recommended in this report are made.

"What then is the solution of the problem? It is suggested that it may be found in the following:

"(1) A clear understanding as to what are Dominion, provincial and municipal obligations and a readjustment of source of revenue.

"(2) A further reduction in the assessed value of vacant land.

"(3) A reduction in expenditure by providing that standard of service which we are able to pay for; a consolidation of departments and the centralization of all city financing.

"(4) A comprehensive scheme to govern the future growth of the city which will provide:

"(a) A better system of controlling local improvement works and the attendant financing.

"(b) A proper plan to guide future development.

Wide changes in the educational system are advocated in the report. Mr. Yorath asserts that education is a national service and sees no reason why its efficiency should depend on the financial condition of each municipality, resulting in uneven educational facilities. He says:

"Why should not the Dominion government assume the whole cost of educaion throughout the country and levy a sufficient educational income tax to cover the cost. In addition to having uniformity of education, we would have all the people of the Dominion bearing a proportionate share of the cost. The objection may be raised that this is contrary to the British North American Act. The answer will be that if this Act is producing lack of unifomity in education, additional governmental expenditure and waste, then it is time it was amended."

The report commends the movement to cut down assessments, but points out a number of ways in which this may be extended.

CANADIAN GAS ASSOCIATION

C. A. Jefferies, of Toronto, heads the Canadian Gas Association as its president for the coming year, succeeding Col. D. R. Street. He will be supported by the following executive: 1st vice-president, E. A. Hamilton, Halifax; 2nd vice-president, Major J. J. Humphreys, Montreal; secretary-treasurer, E. A. Hills, Toronto; executive committee, J. P. King, Stratford, Ont.; J. S. Morris, Montreal; Arthur Hewitt, Toronto; J. M. H. Young, London, Ont. C. C. Folger, Kingston, Ont.; V. C. McIntyre, Kitchener, Ont.; A. A. Dion, Ottawa; and R. A. Walace, Quebec City.

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WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date—	Place—	Sold To—	Rate	Term	Amount	Price	Basis
Aug. 27	Renfrew	W. A. Mackenzie & Co., Toronto	6 %	20-ins.	$22,465	104.22	5½
Aug. ——	Fort Garry, Man.	Emery & Anderson	7 %	10-yr.	5,500	100.15	...
Aug. 19	Sask. Schools, etc.	Various			121,400	....	...
Aug. 25	Pickering Twp.	J. L. Goad & Co., Toronto	5½%	20 & 30-ins.	51,000	102.128	...
Aug. 28	Hanover	Bird, Harris & Co., Toronto	5½%	30-ins.	60,000	100.866	...
		CORPORATION					
Aug. ——	Wolthausen Hat Corp.	H. B. Robinson & Co., Montreal	7 %	20-yr.	200,000	99	7.10
Aug. ——	Great Lakes Transportation	Murray & Co. and McLeod, Young, & Weir, Toronto	6½%	10-yr.	500.000	99	6.65
Aug. 16	Lion-Mead Rubber	Lion-Mead Sales Corp., Ottawa	8 %	10-yr.	50,000	100	...
Aug. 16	Silver Spring Brewery	Sterling Bond Corp., F. Thompson & Co., and St. Francis Bond Co.	7 %	20-yr.	150,000	....	...

THE NATIONAL CITY COMPANY
NATIONAL CITY BANK BUILDING
NEW YORK

Sound Values
For Your Safety Deposit Box

FROM our September List of Offerings, we have selected the six issues shown herewith as being particularly attractive. Funds invested in these high grade bonds are protected by substantial security and earning power.

We also offer, Victory Bonds in all maturities—at market, as well as Bonds of the various Provinces and of many of the principal Municipalities of Canada, at prices to yield from 5% to 5.20%

CITY OF QUEBEC R.C. School Commissioners 5% Bonds
Guaranteed, by endorsement, by the City of Quebec
Dated May 1st, 1923—Due May 1st, 1960 - - Price: 98.34

CITY OF OUTREMONT Protestant Schools 5½% Bonds
Dated September 1st, 1923—Due September 1st, 1943 - Price: 100

WEST KOOTENAY POWER & LIGHT CO. General Mortgage 6% Bonds
Unconditionally guaranteed, by endorsement, by the Consolidated Mining & Smelting Co.
Dated June 15th, 1923—Due June 15th, 1943 - - Price: 100

MAPLE LEAF MILLING CO. First Mortgage 6½% Bonds
Dated August 1st, 1923—Due August 1st, 1943 - - Price: 101

REPUBLIC OF CHILE External Sinking Fund 7% Bonds
Principal and interest payable in U.S. funds in New York
Dated November 1st, 1922—Due November 1st, 1942
—Price: to yield over 7.25%

KINGDOM OF NORWAY External Sinking Fund 6% Bonds
Principal and interest payable in U.S. funds in New York
Dated August 15th, 1923—Due August 15th, 1943
—Price: to yield over 6.00%

Write, or telephone us, if you desire further particulars.

The National City Company
Limited

112 St. James Street MONTREAL
10 King St. E. TORONTO
14 Central Chambers OTTAWA
111 Mountain Hill QUEBEC

New York Chicago San Francisco London Geneva Tokio

The Leading Life Company of the Dominion

Assurances in Force $630,000,000
Assets - - - $170,000,000

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE - MONTREAL

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
Established 1869
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SQUARE DEAL

Our "Square Deal" Contract will appeal to you with compelling force—**one contract only—no middlemen—** new and saleable "Coupon Savings" Policies. For particulars of the "Square Deal" Contract and available Territory, communicate with the Managing Director.

The NORTHERN LIFE ASSURANCE CO.
Home Office - London, Canada

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$78,000.000.00
Policies Issued from $500 to $5,000

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THE MACCABEES
Over $170,000,000.00 Life Insurance in Force on Legal Reserve Basis.
Over $140,000,000.00 Paid to Members and Beneficiaries.
Issued Policies on 6 Plans, $500.00 to $10,000.00. Cash Surrender, Paid-Up and Extended Insurance Values.
Liberal contract for good organizer for City of Toronto.
JAS. S. GREEN, 249-250 Confederation Life Bldg.
TORONTO, ONT.

She's Daddy's Girl
Make sure that, after you are gone, she will receive, as long as she lives, a monthly cheque to provide for her every need

The IMPERIAL LIFE ASSURANCE CO.
OF CANADA
HEAD OFFICE TORONTO

CPT Co

Your Doctor's Advice

when he tests your blood pressure and you tell him you are worn out with business, would be to take a vacation.

Possibly you have never realized how readily this can be arranged through turning your investments over to the Agency of this Company—that wherever they may be located, our Branches situated throughout the Dominion, can ably look after them.

Relieve yourself of those burdensome details by appointing The Canada Permanent Trust Company as your Agent.

THE CANADA PERMANENT TRUST Co
Paid-up Capital One Million Dollars
Toronto Street, Toronto.
Manager Ontario Branch—A. E. Hessin

LOW PRODUCTION IN PLATINUM GROUP

Owing to Shut Down of Nickel Mines the Output Fell Off

The production of metals of the platinum group in Canada for 1922 was derived almost entirely from the nickel-copper ores of the Sudbury district. In accordance with the low production of nickel-copper, the amounts of metals of the platinum group recovered were comparatively small. The actual production figures have been augmented by the addition of quantities produced prior to 1922, but reported for the first time in that year. Revised figures have just been issued by the Dominion Bureau of Statistics.

The production was valued at the average New York quotations for the year which were as follows: platinum $97.618 per fine ounce, palladium $65.00 per fine ounce and osmium group $80.00 per fine ounce. The figures:

	Platinum	Palladium	Rhodium, Osmium, Ruthenium and Iridium
Produced by Can. and U.S. nickel refineries from Can. ores, fine ozs.	458	724	391
Value	$44,709	$47,060	$331,280
B.C. Placers, fine ozs.	11	...	1
Value	$ 1,074	...	80
Total for Canada fine ozs.	469(a)	724(b)	392(c)
Value	$45,783	$47,060	$ 31,360

Produced but not reported previous to 1922:—
(a) includes 282 ounces platinum.
(b) includes 383 ounces palladium.
(c) includes 266 ounces of others.

J. P. Langley, appointed liquidator by the courts in connection with the Bryant, Isard Co. failure, has called a meeting of the creditors for Sept. 7th at King Edward Hotel in Toronto. There are approximately 600 of these creditors.

INSURANCE FOR BUYER AND SELLER

FRATERNAL ORDERS MAKING CHANGE TO ACTUARIAL BASIS

Sons of England Vote to Readjust Insurance Plans

At the recent meeting in Toronto of the Sons of England lodges in Canada, it was decided to place the Order's finances on the actuarial basis prescribed by legislation some time ago. Steps will be taken immediately to change to the new basis, and it is expected that this will be completed by Jan. 1, 1923. The decision to make the change was not arrived at without opposition, especially from the older members. However, the good sense of the majority of those present prevailed and it was decided to go ahead with the plan. This obviates the necessity of the government having the adjustments made as has been done in some cases, where the members voted the proposal down.

This change is one step in a general movement started by the insurance departments to place the affairs of all fraternal insurance organizations on an adequate basis. Those societies operating under licenses from the Dominion Department of Insurance have until 1925 to make the adjustment. Companies with Ontario licenses must make the change, when requested by the Insurance Department. All these, including the Sons of England, have been requested to do so. In one case, where the society defeated the proposal, a committee composed of a chartered accountant, an actuary, and a lawyer, has been appointed by the Minister, and is now making the adjustment.

The general policy (as pointed out recently in THE FINANCIAL POST) has been made necessary by unsound basis of financing which was followed many years ago. The insurance features have been based on the assessment system, that is, charging premiums each year only sufficient to pay the running expenses and meet death claims. While the members were comparatively young the death claims were low and the premiums low accordingly. As the group became older deaths became more numerous each year, placing heavier burdens on the living members. In most cases this was kept from view by active campaigns for new members among young men, but the inevitable reckoning had to come.

The changes have, without doubt, worked a hardship on the older members, and have been met by strenuous objections from them. It must be remembered that for many years they received insurance protection at very low rates. However, those who have died received the benefit of the same low rates and now the living members have to make up for the early deficits created both by themselves and the deceased members.

The enforced changes have reacted against the fraternal societies and they have been losing out in securing new business in competition with the regular life insurance companies. When the adjustments are made, it is hoped that they will have a healthy and continued existence.

New Insurance Licenses Issued by Department

A license has been issued by the Dominion department of insurance to the Central Manufacturers Mutual Insurance Co. to transact Fire Insurance in Canada. W. D. Riddell, Toronto, has been appointed chief agent in Canada.

The license of the Merchants Marine Insurance Co., Ltd., has been extended to include Sprinkler Leakage Insurance, and that of the Grain Insurance and Guarantee Company to cover Accident Insurance and Burglary Insurance.

FIGHTING FIRES BY AEROPLANE FEASIBLE

Windsor Man's Suggestion to Save Canada's Forests Carried Out in France

Early in the present year the suggestion was made to the Ontario and Dominion forestry branches by F. Maclure Sclanders, commissioner of Border Chamber of Commerce, that forest fires might be subdued by the use of aeroplanes from which bombs containing some powerful chemical could be dropped. The replies he received indicated that the suggestion was impracticable. The reason for this seemed to be that there was no known chemical substance which would do effective work.

Mr. Sclanders' suggestion makes doubly important the following report from France, which deals with the fighting of forest fires from aeroplanes. The report says:

"Eugene Turpin, the universally known inventor of melinite, has supplied the French Government with a chemical formula to fight forest fires by aeroplane.

"M. Turpin suggested that an aviator be supplied with liquid carbonic acid, liquid sulphuric acid, or liquid ammonia in tubes, fitted with bombs to shatter them and spread the contents over a wide area. He also suggested that packets of sulphur extinguisher or blasting powder might be used to advantage."

A. N. Mitchell, of the Canada Life Insurance Co., has returned from England, where he went on business for the company. He reports that the insurance companies are finding business in England much improved.

To Consider Motor Stealing Problems

W. P. Young, secretary and general manager of the National Automobile Underwriters' Conference, left New York this week for Georgian Bay, for a vacation. From there he will come to Toronto for a week's conference with Secretary J. H. King of the Canadian Automobile Underwriters' Association. The problem of motor thieving and the traffic in stolen cars will be considered.

FIRE CONTRACT IS ONE OF INDEMNITY

Court Decides Insured is Entitled to Cost of Reinstatement to Sum Assured

Just how much the owner of an insured building is entitled to collect after a fire is someimes subject to dispute, especially when the entire property is not destroyed. While the insurance companies try to avoid litigation in such cases, it is not always possible to do so.

During the past year an action of Colonsay Hotel Co. vs. Canada National Fire Insurance Co., came before the Saskatchewan Court of Appeal. According to the provisions of the Insurance Act, a fire insurance company is not liable "for loss beyond the actual value destroyed by fire." In the judgment it was held that these words do not necessarily limit the right of the insured to the market value of the property at the date of the fire. He is not, for the purposes of the contract, to be dealt with as if he were forced into an immediate sale of his property. The decision makes it clear that it is the building and not the market value, which is insured and the insured is entitled to receive the cost of reinstatement up to the limit of the sum assured. The contract is essentially one of indemnity to the end that the insured shall be reinstated.

The soundness of this decision will be seen when we consider that the purpose of insurance is not to reimburse the insured for his investment in the building destroyed, but to make it possible to re-establish it in the productive capacity it formerly exhibited.

TO INSURE BANTING'S LIFE FOR $1,000,000

Application Received by Life Insurance Company, But Not Finally Accepted

It is understood that the National Life Assurance Co. of Canada has received an application for a $1,000,000 life insurance policy on the life of Dr. F. G. Banting, the discoverer of insulin. The placing of the policy on the life of Dr. Banting will practically mean the assurance that the great research work begun by him will be carried on after his death. The million-dollar proceeds from the policy will be more or less in the nature of a Banting Research Foundation.

Negotiations regarding it have been carried on for some time, but the application has not been finally accepted yet. If it goes through, it will be one of the largest policies in America.

As the arrangements have not been completed, no definite information as to who will pay the premiums and to whom the benefits under it will go, are available. It is reported that the Rockefeller foundation is guaranteeing the premiums, but this has been denied by officials in New York.

The risk will no doubt be borne by most of the companies operating in Canada. While one company will issue one policy for the entire amount, it is customary for each company doing so to protect itself by reinsuring part of it in other companies. Few companies will risk over $25,000 on the life of any one man.

V. Evan Gray, superintendent of insurance and registrar of loan corporations in Ontario, has just returned from England where he has been pleading Ontario's side of the reciprocal insurance case before the Privy Council. It is not known definitely when the decision will be made.

LICENSE EXTENDED

The license af the General Accident Assurance Co. of Canada has been extended to cover insurance against damage to property and liability for damage to the property or person of others caused by the breakdown of any electrical machinery.

Trust Agreement Insures Proper Investment of Insurance Proceeds

To insure your life insurance is a somewhat new idea to most business men, and yet that is really what is accomplished by a savings plan used by trust companies in the United States and now being introduced in Canada. Its need arises out of the prevalence of unsound investments and the disposition of certain security houses to sell these to widows and inexperienced investors.

Two pages of financial history are full of disastrous failures, in which the savings of widows take a prominent place. That much of the money so invested consists of the proceeds of life insurance is scarcely to be wondered at. The widow, often dazed by bereavement, is handed a lump sum by the insurance company. Without experience in financial matters she is prone to listen to salesmen or well-meaning friends only to find the supposedly safe venture in difficulty and her money gone. A bad feature in such cases is that the promoter is not satisfied with a moderate sum, which, if lost, would not spell destitution for the widow. Being enthused with his proposition, he seeks to persuade her to put as much as possible in, with the result that she invests more than any active business man would consider as a safe limit.

A growing realization of these dangers has led many shrewd men to purchase only a moderate amount of insurance payable in cash to the beneficiary. This provides for sickness and funeral expenses, ready cash for necessary adjustments, and paying any outstanding claims. Then the balance of the insurance is placed on the monthly income plan, by which the beneficiary receives a certain sum each month.

Two general plans are followed in such cases. The policy may provide for the monthly payments simply during the beneficiary's life. On the other hand, it may be made payable during the beneficiary's life and for a term of years certain. If the beneficiary dies before the expiration of this term of, say, twenty years, the remaining payments are due. Instead of continuing these to the beneficiary's heirs, however, their present value is ascertained and paid in their stead.

In advocating the Insurance Trust Agreement, one trust company says:

"The Insurance Trust Agreement is merely the modern means for perpetuating the benefits of insurance. It assures for the beneficiary an income for a definite length of time, and freedom from dangerous financial pitfalls.

"Statistics show that a very large per cent. of all life insurance money is spent within seven years of its payment to beneficiaries.

"Life insurance money in a lump sum is often more of a danger than a benefit. Of course, the protection should be there. But, when it is paid to the beneficiary in cash, adequate protection has not been provided for the beneficiary. Lasting benefits from the money are far from assured.

"Through the Insurance Trust Agreement the beneficiary may be sure of a steady income for life."

The basic factor in the plan is that the trust company is the nominal beneficiary under the policy. The insured can specify the investments or class of investments to be used, or he may leave this to the company's judgment. Most trust companies will execute such trusts at moderate cost.

A further extension of the trust idea as applied to life insurance was described in a recent issue of THE FINANCIAL POST. Unlike the plan described above, however, it is useful only to a man of considerable means. By its terms a person sets aside a definite sum with a trust company as a legacy to certain specified beneficiaries. With the interest from this trust fund the company pays the premiums on a life insurance policy on the life of the donor. If the insurance is on the ordinary life plan, this continues until the donor's death, when the equity in the trust fund and the insurance proceeds become vested in the beneficiaries named. It may be handed over in cash or distributed and invested according to the terms of the trust agreement. Another plan is to secure a limited pay life policy and direct in the agreement that, when the insurance is paid up, the interest from the trust fund will be placed direct to the donor until his death, at which time the entire proceeds revert to the beneficiaries.

INDEMNITY FOR LIFE PROVISION GOOD ONE

Limited Cover for Disability Losing Ground; Large Claims May Follow Accident

With the increased use of motor cars and machinery, the danger of accidents has received much attention. As a result, large increases have occurred in the amount of accident insurance sold. Changing conditions have forced readjustments of policies, and many improvements have been made. One of these is emphasized in the monthly bulletin of a large casualty company. It says:

"How many people know, and particularly those insurances salesmen whose acquaintance with the business extends back only a few years, what an unusual sales proposition the present Accident policy is?

"Take the indemnity for life provision alone! Stop and consider what it means as compared with the old contracts which stop payment after fifty-two weeks of disability, or the more recent forms which continue payment for two hundred weeks and then stop. It used to be a common saying that the 'indemnity for life' provision was a good talking clause, but did not amount to much. In the light of experience, it is found that it is not only a good talking clause, but that it amounts to a lot. Over $800,000 is the present value in this company alone of the outstanding 'indemnity for life' accident claims. And again, experience shows that whereas total disability caused by disease is not a greatly drawn out affair, the insured either dies or recovers within a few years; in total disability by accident there is no reason as a rule why the insured should not live out his expectancy. We used to look upon the principal sum payment for death as the big liability item of the contract—but take a policy issued in the usual level amounts—$15,000 principal sum, $50 weekly indemnity, the prospect of paying a total disability claim of $2,600 a year for thirty years makes the principal sum payment for death of $15,000 look small by comparison."

FIRE AUTOMOBILE MARINE
British America Assurance Co. (Incorporated 1833)
British Empire Underwriters Agency
St. Lawrence Underwriters Agency
Western Assurance Company (Incorporated 1851)
Head Offices: 22 Wellington St., East, Toronto
INLAND TRANSPORTATION RIOTS and STRIKES EXPLOSION

THE
CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

When selecting a Trust Company as an Executor choose one whose fixed policy is to give
Financial Assistance
to Estates being administered by it
PAID UP CAPITAL AND RESERVE $1,240,000
The Imperial Canadian Trust Co.
Executor, Administrator, Assignee, Trustee, Etc.
Head Office, Winnipeg.
Branches: Saskatoon, Regina, Edmonton, Calgary, Vancouver and Victoria.

THE
WESTERN EMPIRE
Life Assurance Company
HEAD OFFICE
701 Somerset Building
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MOOSE JAW SASK.

Assessment System
THE CANADIAN ORDER *of* CHOSEN FRIENDS
Good Features
A Government endorsed twenty-year paid-up plan.
Whole family life insurance, at Government standard rates.
The best sick and funeral benefits. Double sick benefits, by paying double rates.
An up-to-date child insurance department.
Further particulars gladly furnished by corresponding with

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P.O. Drawer No. 349,
Hamilton, Ont.

RAND MINES 24,500 OUNCES GOLD DAILY

Big Jump in First Quarter of Year as Compared With Troubled Quarter 1922

Northern Ontario mining enthusiasts look forward to the day when they will be able to say that the gold production is approaching that of the Rand of South Africa. Of course, it is hard to make comparisons, one being an old camp with a settled production and the speculative element practically eliminated, while the other is a new camp, the surface of which is only scratched. Below will be found the 1922 Rand output with the figures for the first quarter of 1923. These figures also show the effects of the revolutionary upheaval during the first three months of 1922. The Rand's gold price varies. The present price of gold is still nearly 4s. per ounce above normal, and that the individual companies are benefiting to this extent on the sale of their product. With regard to the native labor position, the number of "boys" employed at the end of last month showed a decrease of 1,471 at 197,456, the number at work on the gold mines being 1,510 less at 181,473. The natives employed on the gold mines at the end of last year numbered 176,834, and at the close of 1921, 177,836.

	Output Oz.	Daily Average Oz.	Estimated price Per oz. £ s. d.	Gross value £
1922—				
Jn., Fb., Mr.	639,728	7,108	4 14 0	3,006,722
April	511,338	17,044	4 11 0	2,326,587
May	629,786	20,315	4 10 6	2,849,782
June	675,697	23,190	4 10 6	3,057,528
July	730,635	23,569	4 11 0	3,324,444
August	752,490	24,274	4 10 3	3,395,611
Sept.	747,089	24,903	4 11 3	3,408,593
Oct.	778,159	25,102	4 10 0	3,501,715
Nov.	764,476	25,483	4 8 6	3,382,806
Dec.	790,712	25,507	4 5 0	3,360,526
1923—				
Jan.	764,469	24,660	4 6 0	3,287,216
Feb.	704,970	25,177	4 5 0	2,996,123
Mar.	761,586	24,567	4 5 0	3,256,741

CANADA'S FOREIGN TRADE IN MOTOR CARS HOLDS UP

Figures Compare Well With Those of the U.S.A.

WITHIN EMPIRE

Australia Biggest Market In June and Other British Countries Bought Very Heavily

From Our Own Correspondent.

MONTREAL.—Canadian exports of automobiles and motor trucks are holding up well in comparison with those of the United States and are maintaining about the same ratio as formerly. Excluding shipments of Ford cars that are not completely assembled in the states but are sent to foreign assembly plants for completion, the United States exports only about twice as many cars as Canada, despite a production in that country that is equal to many times the Canadian production. This is due to the establishment in Canada of foreign export manufacturing units of American motor companies. Typical of this is the circumstance of the new Oldsmobile light six, that was sprung as a surprise at the last minute before the opening of the Toronto Exhibition, will be manufactured by the General Motors in Canada not only for the domestic but for the export trade.

Exports for Half-Year

Exports of care from Canada and the United States for the first six months of the present year have been as follows:

	First 6 months, 1923		
	Cars	Trucks	Combined
Exports from—			
United States	52,561	9,449	62,010
Canada	24,623	3,082	27,705
American car assemblies	....	....	48,011
Total	77,184	12,531	137,726
Production—			
U.S. & Canada	....	....	1,649,083

Per cent. exports to production 8.3%.

Large Exports in June

During June exports of cars showed a good increase over the figures for the previous month although the value did not increase greatly and in fact declined for the United States cars. This indicated a considerable increase over 1922 in the shipments of the cheaper automobiles. The number of cars exported from Canada increased 35 per cent. over the previous month and the value increased 14 per cent. The increase in the number and value of truck exxports from Canada in June was 42 and 44 per cent. respectively. The large increases in Canadian exports are explained by the fact that shipments to Australia, Great Britain and New Zealand,—the markets that take principally Canadian made cars—have shown the greatest increase.

June Exports Compared

Comparative American and Canadian exports in June were:

	United States		Canada	
Classification	No.	Value	No.	Value
Passenger cars, Except electric.				
Class:				
		$		$
Value up to $500	5,231	1,925,885	....	....
Value from $500 to $800	2,672	1,783,864	....	....
Value from $800 to $2,000	4,198	4,469,099	....	....
Value over $2,000	286	792,979	....	....
Total	12,387	8,971,827	4,639	2,171,357
Destination (principal countries):				
Australia	2,543	1,987,504	1,548	685,703
Canada	1,270	1,184,159	....	....
U. Kingdom	980	621,588	465	259,940
Mexico	799	454,307	9	10,056
Spain	670	601,844	16	25,240
Sweden	641	305,446	46	49,138
Belgium	611	311,070	21	18,322
Argentina	423	340,844	84	52,448
N. Zeal'nd	406	332,179	980	409,206
B. S. Africa	361	293,072	641	241,554
Norway	351	173,580	2	2,495
Motor Trucks and Buses, except electric.				
Class:				
Cap. up to 1 ton	1,733	607,915	....	....
Cap. 1 to 2½ tons	316	387,456	....	....
Cap. over 2½				
Total	2,129	1,143,036	1,120	393,527
Destination:				
Belgium	580	146,835	1	751
Sweden	408	108,449	....	....
Australia	207	254,482	705	240,471
Japan	193	79,013	...	....
Canada	140	183,216	...	....
Mexico	93	50,034	...	....
U. Kingdom	59	59,989	33	24,697

Exploitation Continues In G. T. P. Debentures

LONDON.—Grand Trunk Pacific 4% debentures have been a nominal market at 20-25, since the Government published its reply to the committee. "The further statements of the bondholders' committee do not appear to hold out much early hope," says the Investors Chronicle, "but the 'nuisance value' idea will probably—and justifiably — be exploited to the full, and from time to time may be responsible for favorable rumours and price movements, thus holders will probably find it policy to wait events for the time being."

TRADE COMMISSIONER COMING

A. E. Bryan, Canadian Trade Commissioner in Yokohama, is expected to reach Canada towards the end of October, for the purpose of making a business tour in the Dominion in the interest of Canadian export trade to Japan. Canadian firms who desire to be brought in touch with Mr. Bryan, or to interview him are requested to communicate with the Director, Commercial Intelligence Service, Ottawa, in order that the necessary arrangements may be made.

Wall Street Brokers Reduce Their Loans

NEW YORK. — Within the past month, Wall Street brokers' loans have decreased about $50,000,000, and the total of such borrowings is now approximately $1,450,000,000.

Present money borrowings of brokers compare with June 5, 1922, when the total was $1,450,000,000.

Brokers' loans have been reduced $400,000,000 since the first of the year, and $550,000,000 from the high point ($2,000,000,000) February 14, this year.

WABASSO COTTON NET 5.9 PER CENT. LOWER THAN 1922

Company Will Soon Be Operating In New Extension

W'K'G CAPITAL DOWN

Gross Income Larger, Due to Higher Interest From Bonds Of the Subsidiary Company

From Our Own Correspondent.

MONTREAL.—The new buildings of the Wabasso Cotton Company, which are adding about one-third to the present capacity, were not finished in time to affect the profits for the current year and the annual statement for the twelve months ended June 30 last shows profits that are not greatly changed from a year ago. The operating profit was reduced from $347,550 to $303,177, but the interest on investments is largely increased from $48,464 to $113,700. This seems to be explained by the company's holdings of bonds of its subsidiary, the St. Maurice Valley Cotton Mills, which are pledged as security for the new bond issue of Wabasso made a year ago. The larger interest income offsets the higher amount being paid in bond interest.

Earnings Were 5.9 Per Cent.

After depreciation and bond interest there was available a net profit of $206,955, equivalent to 5.9 per cent. on the stock as against 6.9 per cent. in 1922. Dividends at the rate of 4 per cent., or $140,000, were paid as in previous years.

Comparative earnings are as follows for the past three years:

Profit and Loss Account

	1923	1922	1921
Op. prof.	$ 303,177	$ 347,550	$ 386,608
Int. on inv.	113,700	48,464	49,215
Tot. inc.	$ 416,877	$ 396,014	$ 435,913
Deprec.	100,000	100,000	100,000
Bond inter.	94,922	52,240	52,810
Net profit.	$ 206,955	$ 243,774	$ 283,103
Dividends	140,000	140,000	140,000
Surplus	$ 66,955	$ 103,774	$ 143,103
Prev. surp.	546,156	442,382	299,279
Bal. forw'd	$ 613,110	$ 546,156	$ 442,382
Ear. on stk.	5.9%	6.9%	8.%

In his report to the shareholders the president, C. R. Whitehead, states that the "buildings for the extension to the plant are nearing completion. The machinery is being delivered and everything points to the early operation of the plant."

The working capital position shows a reduction during the year from $985,395 to $665,389, the changes being as set forth here:

Working Capital Account

	1923	1922	1921
Current assets	$1,284,861	$1,466,030	$1,363,541
Current liabil.	619,472	480,635	495,410
Work. capital	$ 665,389	$ 985,395	$ 868,131

The expansion of the company's activities is indicated by a number of changes in the balance sheet. Property has increased in value from $1,723,575 to $2,166,715. Investments in other companies are up from $1,551,672 to $2,283,223, chiefly due to the creation of further bonds on the St. Maurice Valley Cotton plant.

The liabilities are increased by $735,000 of collateral trust bonds. The reserve for depreciation is up to $717,752 and the surplus is now $613,110 in addition to a general reserve of half a million.

Proposed Tour of West by Minister of Trade

OTTAWA.—Hon. T. A. Low, minister of trade and commerce, discussing with the Canadian Press his policy in his department, laid down three main lines of action which he proposes to follow:

(1) Strict economy in departmental expenditures.

(2) Aggressive efforts to carry out the policy of the former minister, Hon. J. A. Robb, in stimulation of foreign trade.

(3) A close study of western conditions as the basis of a wider development there.

Mr. Low stated that one of his first official acts would be to visit important centres in the West, to familiarize himself with western problems from the western point of view. He did not propose a formal tour, but a business trip, visiting the sections that warranted special study.

DIFFERENTIALS ABOLISHED

HALIFAX.—The efforts of the Halifax Board of Trade, in the matter of having the differential rates between Halifax and St. John and Portland abolished, have met with success. After October first the three ports will be placed on a parity insofar as rates on European traffic is concerned.

GARY CALLS "ROMANTIC PUBLIC" FOR 8-HOUR DAY

(Continued from Page 2)

bring about because each industry has had its own separate interests.

"The late President Harding wanted the eight-hour day because he thought the people wanted it. Still, he did nothing to bring it about. Instead of trying to do it himself he expressly told the representatives of the steel industry that he hoped they would do it. He did not propose personally to interfere.

"I do not mean to condemn him. That was his policy. Directly after his nomination he said, in a business speech: 'I am for less Government in business and more business in Government.' He meant less interference with business by the Government and more business in the running of the Government proper.

It was in the pursuance of that policy that he did not propose to interfere with the twelve-hour day.

"Yet he was vitally interested in the move. It is a great misfortune that our decision could not have been communicated to him. He was waiting for our message when he died."

Judge Gary was undecided as to when the eight-hour day would begin.

"There has been a national shortage of labor," he explained. "The eight-hour shift will, of course, require more men than the twelve-hour day. This condition, prevalent since the war, has been gradually improving. The past year has marked its pronounced betterment.

Said Men Were Satisfied

"But when the new shift will actually begin depends largely upon the supply of labor. We are doing everything we possibly can to expedite the new shift. We are installing new machinery. The industry as a whole is moving forward."

He was interupted in the steady current of his statements by the sudden recurrence of a new-old thought. It pertained of course to those men affected by the change. This time he seemed to strike a new angle of the situation.

"They were satisfied—our men," he explained. "They are a great group of ambitious Americans. They wanted to work the twelve-hour day for a legitimate reason. They wanted to accumulate money and insure their safety for later years.

"The twelve-hour day involved so much.

"Each one of these steel men makes a rough average of $40 a week. There is a pension when they reach sixty-five years of age, dependent in size upon the position and amount of time served by the employee.

"At least 50,000 of them are stockholders. They have been buying stock on the instalment plan for years. This is certainly enough to prove their energy and general desire to insure their future.

Satisfy Only One-Tenth

"This sudden change will come as a blow to them. Many of them have planned their lives in accordance with the salary received from working twelve hours. To reduce their time and increase their wages will satisfy only one-tenth of them,

"We can only hope against hope for them."

Judge Gary pointed out by indication that the workmen in the steel industry in this country are receiving the highest salaries and the most liberal treatment of all the workmen throughout the entire world.

He ponders endlessly upon the dynamics of the movement. He pointed out that it is not merely the business of turning the country's clock from twelve back to eight. Nor is it contained in the figures of a twenty-five per cent. wage increase. It is the pent up emotions of the men, with their life plans staked upon the money they made by working the twelve hours.

Judge Gary painted a curious picture of the anticipating public.

Those steel factories that loom like milestones in the wide, open road of industry are expected to pour forth gay, reckless, glorified homemakers. And that dinner hour that has been accused of "preserving the American home" will be picked up again like a precious broken doll.

Judge Gary sees opposite facts He only hopes that the steel workers will "take it good naturedly." And there is always room for optimism.

Three-Fifths of Wealth

"The United States has three-fifths of all the wealth of the world," he said. I suppose the wealth of the world amounts to approximately $650,000,000,000. Of this $390,000,000,000 are in the United States. This is the country of money. There is more money in this country than in all of Europe put together.

"One look at Europe always reassures the steel industry.

"There will be more labor available in the near future," he explained, "because the workmen are coming from the South and the Mexicans from Mexico, and the Filipinos from the Philippines, and men from Canada, and I believe immigration is increasing a little.

"I still think, as I have said before, that the laws in relation to immigration should be amended, that we should have more workingmen to take care of the business of this country. By this I do not mean that any labor which is not desirable should be permitted to come here nor that the numbers admitted should be sufficient to interfere with the best interests of the laboring people or any other interests, nor extend beyond the actual necessities of the purchasing public.

Own Interest First

"But I think—and that is what I have attempted to say always when I have spoken on the subject—that this country cannot afford in its own interest to prohibit a sufficient number of workmen to live here to take care of the public necessities, which means a large consuming public, and, of course, the export trade."

This, the Judge pointed out, is the stand that he has taken for some time.

In conclusion, he said: "The outlook for business is bright. For the workers there is only hope."

Socialism and Realities

(Continued from Page 10)

which, at any rate, with all its faults, has resulted in our present preeminence, and in conjunction with another capitalist regime, that of the United States, has produced the most prosperous peoples in the world? And who is there, even among the ranks of Socialism, who would willingly change the disadvantages of capitalistic Britain for all the advantages of socialistic Russia? The most efficient motive power for the engine of the body politic is the spirit of individual initiative and enterprise, for which the water of Socialism makes a poor substitute.

Helps Clear the Air

But when all is said and done, such a debate as the House of Commons has spent two days upon, academic in character as it was but useful in so far as it has permitted obvious fallacies to be brought to the bar of public opinion and there effectively countered, does not go far to solve the actual practical problems that are facing us at the moment. It did not offer any light, for example, on the thorny question of the Ruhr and reparations, or the recovery and expansion of our export trade. Yet these two questions are most intimately bound up with that of unemployment and the well-being of our workers. Given a solution of these problems, we have taken a long step forward in securing the advantages the Socialists seek without overturning our well-tried and successful system of individual enterprise, but with these questions unsolved the outlook, not only for ourselves but for the rest of Europe, remains exceedingly dark. The one bright spot is that Great Britain has again taken her rightful place as an active participant in the direction of affairs, and is doing her best to prevent the Continent from plunging into ruin.

LIVE STOCK FOR EUROPE

QUEBEC.—The largest movement of livestock which the port of Quebec has ever experienced is now under way. During the period August 14 to 18, no less than three freighters, for as many British and European ports, loaded some 900 head.

YELLOW LABOR PROBLEM RAISED AGAIN ON COAST

Despite Shortage of Workers Restrictions Are Asked

From Our Own Correspondent.

VICTORIA.—Strong efforts are being made to discourage the employment of Orientals in the basic industries of British Columbia. The problem is an old one, made all the more difficult of solution because of the hesitancy to deal with it in an effective manner when it first presented itself.

The question of Oriental employment in the lumber industry was brought before the public again recently when the Associated Boards of Trade of Vancouver Island dealt with a resolution proposing that the lumber mills and logging camps be requested to curtail the volume of their Chinese and Japanese labor.

As a matter of fact the logging camps are not important offenders in this regard, as Oriental labor has been found generally unsatisfactory in the woods. Logging camp operators have so far been unable to find a race of men better suited for this heavy work than the Anglo-Saxon, Scandinavians or French-Canadians, and these are still in the majority. In the lumber mills, however, the situation is different. Many of the mills are to-day employing large numbers of Chinese in the yards, although this number has been reduced substantially in recent months.

Appeal to Lumber Mills

Attorney-General A. M. Manson recently made a special appeal to operators of lumber mills and pulp and paper mills, urging them to cut down the proportion of Orientals employed and increase the number of whites. This is reported to have had some effect, but probably the most important influence of all is the general improvement in the industrial situation which has made it possible for the mills to pay higher wages and thus command a higher standard of labor.

The labor situation in British Columbia at present is described as decidedly satisfactory. In all the major industries conditions have been favorable, with a minimum of disputes and a steady reduction in labor turnover. In the mining districts, where there is more activity this year than ever before, the labor situation is exceptionally good.

The prairie provinces issued an appeal to British Columbia this year for upwards of 10,000 men to assist in the harvesting operations. Last year 6,000 responded to this call, but this year only 3,500 went. This may be bad news for the prairies, but it reflects a satisfactory condition in British Columbia. It means that there is scant surplus of labor in this province at present, that the majority of men are working at good wages and don't care to go elsewhere.

Many to California

There might be another explanation, too, in the fact that hundreds, if not thousands, of British Columbians have left the province during the past year for California. Continued industrial prosperity in British Columbia is expected to lure them back eventually. While their loss is naturally recognized as serious, one optimistic view which may or may not have sound economic basis is that the exodus has left more work for those remaining in the province. One thing, at any rate, is certain: There is virtually no unemployment in British Columbia at present and there is likely to be none this winter, as the mines and forest industries, to mention only two big employers, are expected to absorb all surplus manpower during the next twelve months.

A One-Man Strike That Cost $175,000

The story of how one man fought the United Mine Workers of America at a cost to them of $175,000 comes from Harrisburg,: Pa.

"A one-man strike against joining the United Mine Workers of America caused the Suquehanna Collieries Company at Lykens, to close for a month. The man, Thomas McGrotty, a foreman in the electrical plant won, but in doing so he kept 780 men from producing 1,400 tons of anthracite a day at a daily wage of $6,000. Work was resumed May 18th. The affair started with a "button strike," which is a common occurrence, takes place every three months and usually lasts twenty-four hours. A few miners neglect to pay their dues and when they appear on "button day," April 15th, without the emblem showing they are in good standing, the others strike until the dues are paid. The last "button day" ten men were notified to join the union. Nine were laborers in the electric plant and the tenth was McGrotty. The laborers gave in but the foreman said he could "hire and fire" and therefore did not come under union rules. Day by day the miners became more anxious. McGrotty remained firm. They went to his home, pleaded, and serenaded him with bands, but he failed to budge. Finally, officials of the United Mine Workers decided McGrotty was right."

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REPORT OF HOME BANK'S CURATOR WILL TAKE TIME

Many Difficulties in Realizing on the Accounts

Until the report of the curator, A. B. Barker, is available little can be added to what has been said regarding the affairs of the Home Bank. That report will take longer in its completion than had at first been hoped. An interim statement will be made as soon as justified by information available but it is now very questionable if the curator will have anything before the winding up actions are again before the court on the 6th of September; a further adjournment will probably be necessary. In the meantime there are varied reports regarding the extent of the crash. The investigation being conducted confirms the idea that to finally wind up the various accounts to advantage will require considerable time. To carry on the bank now that the confidence of the public has been destroyed is not thought to be possible. To sacrifice the assets for an immediate settlement would not be in the interests of the depositors. The co-operation of the other banks, through the special committee of the Canadian Bankers' Association, will undoubtedly be of great assistance in realizing immediately on a large portion of the assets but there is not yet sufficient information to decide the extent to which this is possible. Some branches as well as many accounts might be taken over by other banks to advantage. The depositors have been organizing and are demanding representation with the C. B. A. in co-operating with the curator; such representation can no doubt be arranged.

Technically the Home Bank is still an operating bank—it has merely suspended payment. The collection of funds continues, the payment of money has stopped. But the collection is not without its difficulties and these are in some cases increased by the fact that payment of deposits has been discontinued.

One typical case is reported where a business man with a substantial debt to the bank declared that he would never pay it. His wife and daughter are depositors. He is willing to deduct what is owing to them and pay the balance. The bank can enforce its claim and collect from a legal standpoint, but it is not hard to realize that such cases have their difficulties. Likewise the extent to which the double liability of stockholders could be enforced in the event of winding up is questionable. Holders of stock will in many cases be customers and depositors and may not be in a position financially to meet the call.

Bank of Commerce in Amalgamations

There have been twenty-seven bank amalgamations since Confederation in Canada, including that of the Bank of Commerce and the Bank of Hamilton. The Canadian Bank of Commerce now leads with a record of having absorbed six, the Bank of Montreal taking second place with five. The Bank of Nova Scotia and the Royal Bank have each absorbed four.

1868	Merchants Bank — Commercial Bank of Canada.
1870	Canadian Bank of Commerce—Gore Bank.
1875	Standard Bank of Canada — St. Lawrence Bank.
1875	Imperial Bank of Canada—Niagara District Bank.
1883	Bank of Nova Scotia—Union Bank of Prince Edward Island.
1900	Provinciale Banque — La Banque Jacques Cartier.
1901	Canadian Bank of Commerce — Bank of British Columbia.
1903	Canadian Bank of Commerce — Halifax Banking Co.
1903	Bank of Montreal—Bank of Yarmouth.
1905	Bank of Montreal—People's Bank of Halifax.
1906	Canadian Bank of Commerce — Merchants Bank of P.E.I.
1906	Bank of Montreal—Ontario Bank of Toronto.
1907	Bank of Montreal—People's Bank of New Brunswick.
1909	Standard Bank of Canada—Western Bank of Canada.
1910	Royal Bank of Canada — Union Bank of Halifax.
1911	Union Bank of Canada — United Empire Bank.
1912	Canadian Bank of Commerce — Eastern Townships Bank.
1912	Bank of Nova Scotia—Bank of New Brunswick.
1912	Home Bank of Canada—La Bank Internationale of Canada.
1914	Bank of Nova Scotia—Metropolitan Bank.
1917	Royal Bank of Canada — Quebec Bank.
1918	Royal Bank of Canada—Northern Crown Bank.
1918	Bank of Montreal—Bank of British North America.
1919	Bank of Nova Scotia—Bank of Ottawa.
1921	Bank of Montreal — Merchants Bank.
	Union Bank of Halifax—Commercial Bank of Windsor.
1923	Canadian Bank of Commerce — Bank of Hamilton.

MR. DALY'S HOLDINGS

There are reports that the holdings of shares on The Home Bank of President H. J Daly were reduced in the last year from the total of 2,114 shares shown in the last return to the Dominion Government. No later information of a definite character can be obtained and the curator as yet is not in a position to throw light on the matter.

C.B.A. Must Restore Confidence

"Recent events in banking circles in the Dominion have shown that the basis of our credit is entirely insecure. We are loaning too much for the amount of capital involved. Capital must be the basis of our whole banking structure."

The above statement was made to THE FINANCIAL POST by a banking authority, who at the time of the revision of the Bank Act raised a number of points that he thought could well be considered. In his latest discussion, he pointed out that a number of the points he had raised previously had since then been proven conclusively.

"Keep on hammering at the Canadian Bankers Association to take action that will restore confidence," was his advice to THE FINANCIAL POST in making some complimentary remarks on a front page editorial in the last issue of this paper. There is a need for such action, he advised. He contended that the fact, that since he mentioned the matter some time ago that the banks should have more capital three banks have had difficulty, is to be accepted as evidence that there is something radically wrong with the present system. The recent changes in the Bank Act, which are yet to come in force, will not overcome the situation he contended. They are not fundamental but on auxiliary points only. They do not touch the foundation of the whole banking structure, which is capital.

The banks are loaning heavily, away over their capital. He contended that the loans should be regulated by the capital. This would make the banks secure more capital and then they would be on a secure basis.

He agreed with THE FINANCIAL POST that there should be a permanent and capable official, like the Dominion superintendent of insurance, to delve into the reports of the banks as soon as they are filed with the department and check up on all loans—a permanent government inspector. He contended that such an inspection would not be costly or cumbersome and must come. He says that evidently the present reports overlook a lot of things and by the time anyone gets around to look at them the whole situation may have altered radically.

Hamilton Merger With Commerce

(Continued from Page 1)

mergers. In one case the negotiations were brought to a head but Ottawa refused to give consent on the ground that, as the bank was in a healthy condition, there was nothing to be gained by a merger. The public complaint of curtailed service and a money trust no doubt influenced the Minister of Finance in his attitude. It is now accepted, therefore, that the bank has suffered in the recent business depression and that, although its soundness has not been impaired, there have been losses which would have necessitated an adjustment of reserves which would have weakened the institution in the keen struggle for business which the bigger banks are waging.

The merger, too, can be justified economically at this time from the standpoint of the reduction of overhead expenses. This was particularly referred to by Sir Edmund Walker in making the announcement on behalf of the Bank of Commerce, while Cyrus A. Birge, president of the Hamilton, expressed satisfaction that the merger would be a good thing for the shareholders of his bank, maintaining, at the same time, that the move was one of strategy rather than of necessity. The Bank of Hamilton has large interests in Western Canada and it is felt that the situation as regards commercial loans has meant the tying up of a large amount of capital. The recent developments regarding the crop, together with the trend of prices, has had a tendency to postpone the improvement in the situation which had been hoped for this year. The following from the statement of Mr. Birge will interest shareholders:

"The Bank of Hamilton, in the ordinary course of business with others, has shared to some extent in this experience. The cost of doing business has been very heavily increased, and the keen competition of the larger banks for the accounts of old and well-established organizations—which is the most profitable business, and some of it too large for the smaller banks to handle—is such that in times of depression like these it is difficult for the bank to make sufficient earnings to cover the high Dominion, provincial and municipal taxes, provide for bad and doubtful debts, which are always occurring in the ordinary way of business from year to year, but in this time of depression are more serious, and, further, to pay dividends on the capital as well as the reserve (which is really the property of the shareholders, and entitled to a return), and also to provide a contingent fund to cover any extraordinary losses which may occur in times of panic and stress."

The following summary gives the capital, assets and liabilities of the two banks and of the Bank of Commerce as it will be, according to the latest available government figures:

GENERAL

	Commerce	Hamilton	Jointly
Capital authorized	$ 25,000,000	$ 7,000,000	$ 32,000,000
Capital subscribed	15,000,000	5,000,000	20,000,000
Capital paid-up	15,000,000	5,000,000	20,000,000
Amount of rest or reserve fund	15,000,000	4,850,000	19,850,000
Rate per cent. of cash dividend declared	12 per cent.	12 per cent.	....

LIABILITIES

	Commerce	Hamilton	Jointly
Notes in circulation	$ 23,308,479	$ 5,280,652	$ 28,589,131
Balance due dominion government	1,742,898	678,059	2,420,957
Balance due provincial government	5,223,079	699,775	5,922,854
Demand deposits in Canada	100,675,269	14,989,420	115,664,689
Notice deposits in Canada	159,661,364	39,571,512	199,232,876
Deposits elsewhere	43,023,144	....	43,023,144
Loans from other banks in Canada	....	....	....
Deposits by and balance due other banks in Canada	116,276	110,620	226,896
Due in United Kingdom	445,010	20,496	465,506
Due other banks outside	7,962,660	455,756	8,418,416
Bills payable	1,287,515	....	1,287,515
Acceptances under letters of credit	6,996,578	253,290	7,249,868
Other liabilities	17,620	....	17,620
Total liabilities	$350,459,898	$ 62,059,584	$412,519,482

ASSETS

	Commerce	Hamilton	Jointly
Current gold and coin	$10,222,278	$ 953,221	$ 11,175,499
Dominion notes	20,053,181	2,935,163	22,988,344
Note circulation deposit	772,518	250,000	1,022,518
Deposit central gold reserve	9,300,000	500,000	9,800,000
Notes of other banks	3,313,472	593,354	3,906,826
Checks on other banks	16,423,753	4,322,720	20,746,473
Loans to other banks in Canada	....	....	....
Deposits with other banks in Canada	5,623	366,532	372,155
Due from banks, etc., in U. K.	937,992	68,713	1,006,705
Due from other banks outside	9,539,108	481,286	10,020,384
Government securities	34,960,840	3,172,988	38,138,828
Municipals, etc.	12,107,071	2,796,921	14,903,992
Railway bonds, etc.	6,425,716	412,587	6,883,303
Call and short loans in Canada	15,016,528	7,223,773	22,240,201
Call and short loans outside	19,923,170	....	19,923,170
Other current loans, etc., in Canada	168,018,670	37,745,275	205,763,945
Other current loans outside	23,154,935	....	23,154,935
Loans to Canadian government	....	....	....
Loans to provincial governments	3,149,772	42,533	3,194,310
Loans to cities, etc.	13,407,843	5,417,187	18,825,030
Overdue debts	754,473	325,829	1,080,302
Real estate other than bank premises	928,714	685,599	1,614,313
Mortgages on real estate sold by bank	160,265	109,433	269,698
Bank premises	7,630,950	3,379,196	11,010,146
Liabilities of customers under letters of credit	6,996,578	253,290	7,249,868
Other assets	58,617	344,204	402,821
Total assets	$383,262,078	$ 72,381,812	$455,643,890

No Indication of Losses in Bank Statement

According to Ottawa advices the government bank statement for July failed to indicate the change in the position of the Bank of Hamilton, which might have been expected in view of the official statements issued in connection with the absorption by the Canadian Bank of Commerce. According to the Bank of Hamilton returns to July 31 the reserve fund of $4,850,000 was then unimpaired. Total assets and liabilities of the bank each show a decrease of approximately $2,500,000 during the month of July, but the return shows no very great fluctuations either in deposits or loans.

The total assets of the Bank of Hamilton on July 31 were $69,895,707, as compared with $72,381,812 at the end of June. This is a decrease of $2,486,105. Total liabilities on the same date were $59,518,287, as compared with $62,059,584 on June 30, or a decrease of $2,541,297.

The returns show that current loans of the bank increased from $37,745,275 at the end of June to $37,990,704 on July 31. This is an increase of approximately $250,000. The total of call and short loans in Canada on stocks, debentures and bonds increased from $7,223,773 to $7,249,320 at the end of last month. Loans to cities, towns, municipalities and school districts dropped from $5,417,187 at the end of June to $3,838,447 at the end of July. Overdue debts, which on June 30 totalled $325,829, were $330,152 on July 31.

The amount of gold and subsidiary coin held by the bank on July 31 was $962,600, as compared with $953,221 at the end of June. Dominion notes held totalled $2,911,986, or slightly less than on June 30, when they totalled $2,935,163. The deposit in the central gold reserve stood at $500,000, the same as at the end of the previous month. The deposit with the Minister of Finance for the security of the note circulation was also unchanged at $250,000.

The Bank of Hamilton, according to the statement, held Dominion and Provincial Government securities to a total value of $3,146,434 at the end of July, and Canadian municipal securities and securities other than Canadian value, at $2,786,916. Bank premises were value at $3,382,499.

The liabilities of the bank include a note circulation which totalled $4,945,942 on July 31, savings deposits amounting to $39,404,141, demand deposits to the total of $13,279,144, balances due to the Dominion Government $83,971, and to the Provincial Governments $868,023.

DEPOSITORS WANT REPRESENTATION

Would Have Their Own Agent in Settlement of Home Bank Affairs

Depositors of the Home Bank have formed a protective Association to look after their interests in all future matters relating to the affairs of the bank. Nothing can be done until the report of the curator has been received. In the meantime, however, the deposits have requested the minister of finance to see that they have representation on any body that has in its hands the future affairs of the bank.

The request for a deposit's representative is looked upon favorably in financial circles. It will be some time, however, before any steps can be taken as the whole future of the institution is contingent on the condition in which its affairs are found to be.

It is understood that the deposits will oppose any winding up of the bank, if that can be avoided. They are more inclined to side with those shareholders who would have the bank retained as a going concern, if possible. They believe that the goodwill might enhance their chances of getting their funds out in toto. But while it would no doubt be better in the interests of all concerned that time should be allowed in the realization of assets, as compared with sacrifice liquidation under the conditions now prevailing, there would seem to be little chance that the institution can be continued as a bank with the confidence of depositors lacking.

ASSOCIATION OF BANK WOMEN

Announcement has just been made of the first general convention of the Association of Bank Women, which will be held at Atlantic City, September 24-27, the dates on which the annual convention of the American Bankers' Association will meet. The women's sessions will be at Haddon Hall. Thirty women bankers have sent acceptances.

The Big Banks Which are Now Competing for Supremacy

The Commerce-Hamilton merger creates a situation whereby there are three outstanding financial institutions of approximately equal strength. The Bank of Montreal has the largest authorized capitalization, which is $31,175,000 of which $27,500,000 is subscribed and paid up. With the addition of the Bank of Hamilton the Canadian Bank of Commerce annexes an organization with an authorized capitalization of $7,000,000, which, added to the Bank of Commerce total of $25,000,000, makes an aggregate of $32,000,000. The sum total of the two banks' paid-up capital would be $20,000,000, according to the government figures, which placed the Bank of Commerce paid-up capital at $15,000,000. The other institution which ranks in size with the two before mentioned is the Royal Bank of Canada, which had an authorized capital of $25,000,000, and paid-up capital of $20-400,000.

The new amalgamation will place the Canadian Bank of Commerce near the top of the list with respect to number of branches. At the end of last October, chartered banks in Canada has 4,665 offices, of which the Commerce and Hamilton jointly accounted for 669. Details of the distribution at that date are as under: Royal, 714; Montreal, 631; Commerce, 517; Union, 364; Hochelaga, 354; Nationale, 344; Nova Scotia, 321; Provincial, 303; Imperial, 207; Standard, 165; Toronto, 158; Hamilton, 152; Molsons, 128; Dominion, 125; Sterling, 80; Home, 78, and Weyburn, 24. Since these figures were compiled, however, the aggregate number of offices has been reduced as a result of the fact that the number of branches which have been closed exceeds the number of new branches which have been opened.

	Montreal	Commerce and Hamilton	Royal	Nova Scotia
Total assets	$646,107,512	$455,643,890	$519,567,000	$221,069,890
Total liabilities	588,609,468	412,519,482	475,007,392	190,793,309
Paid-up capital	27,250,000	20,000,000	20,400,000	10,000,000
Reserve fund	27,250,000	19,850,000	20,400,000	19,500,000
Demand deposits in Canada	128,246,360	115,664,689	91,954,526	29,986,800
Notice deposits in Canada	290,438,340	199,232,876	180,697,687	106,654,767
Call and short loans in Canada	6,489,259	22,240,301	18,340,805	10,124,486
Call and short loans outside Canada	121,276,725	†19,923,470	52,071,842	13,976,604
Other current loans in Canada	224,872,511	205,763,945	153,739,823	79,369,110
Other current loans outside Canada	18,010,827	†23,154,935	98,464,510	11,764,450

† Bank of Hamilton reported no call, short or other current loans outside Canada.

Decline in Assets and Savings Deposits of Chartered Banks

The effect of the recent developments in regard to the affairs of the chartered banks is indicated in the fact that the government bank statement for July shows a decline in savings deposits during the month of over $14,000,000. Demand and savings deposits showed a decline of $38,805,535 during the month and deposits outside Canada fell off $38,866,260. Declines of over $100,000,000 in both assets and liabilities are noted. Total liabilities were given as $2,303,878,890, a decline of $104,477,253 from the previous month. Total assets amounted to $2,571,461,677, which are down $106,511,758. According to the Department of Finance, the decrease was partially due to the fact that the Home Bank had closed its doors prior to the day on which it would have submitted its monthly returns to the department, and, therefore, figures are not embodied in the totals given.

Current loans in Canada continue to decline, and for the past month showed a decline of $17,256,645, as compared with the previous month, while compared with the same month last year the loans were down $55,524,092. Note circulation shows a decrease of $11,614,254 over the preceding month, and an increase of $1,156,529 over the same month a year ago.

ASSETS

	July 1923	June 1923	Change	July 1922	Change
Specie	$ 70,604,489	$ 71,228,368—	$ 623,879	$ 76,666,889—	$ 6,062,400
Dom. Notes	157,477,174	158,528,282—	1,051,108	162,290,955—	4,813,781
Can. call	96,701,912	96,698,528+	3,384	96,770,236—	68,324
Call loans ab'd.	191,591,179	219,607,375—	28,016,196	175,219,091+	16,372,088
Current	1,048,598,084	1,065,854,729—	17,256,645	1,104,122,176—	55,524,092
Loans ab'd.	152,834,074	156,095,243—	3,261,169	144,071,730+	8,762,344
Gold reserve	57,102,533	57,652,533—	550,000	52,402,533+	4,700,000
Total assets	$2,571,461,677	$2,677,973,435—	$106,511,758	$2,607,849,755—	$36,388,078

LIABILITIES

	July 1923	June 1923	Change	July 1922	Change
Circulation	$ 163,043,856	$ 174,658,110—	$ 11,614,254	$ 161,887,327+	$ 1,156,529
Demand dep.	506,545,000	531,157,019—	24,612,019	492,442,491+	14,102,509
Savings	1,200,052,356	1,214,245,872—	14,193,516	1,175,781,711+	24,270,645
Ttl. dep. in Can.	1,706,597,356	1,745,402,891—	38,805,535	1,668,224,202+	38,373,154
Foreign dep.	296,845,947	335,712,207—	38,866,260	347,529,412—	50,683,465
Total liab.	2,303,873,890	2,408,351,143—	104,477,253	2,333,050,059—	29,176,169

Where the Merged Banks Overlapped

The Bank of Hamilton has altogether 150 branches. Of this number 71 are located in Ontario, and a large number of these are concentrated in the Niagara Peninsula and Wentworth county. The most easterly branch is located at Montreal.

Thirty branches are situated in Manitoba; in Saskatchewan there are 27; in Alberta, 12, and in British Columbia, 9.

The two banks overlap in forty cities and towns. Several of the larger cities, like Toronto, Hamilton, Winnipeg and Vancouver, have several branches of each bank. Both banks have branches in the following places: Ontario—Brantford, Dundas, Dunnville, Fort William, Goderich, Grimsby, Guelph, Hamilton, Kitchener, Orangeville, Owen Sound, Paris, Port Arthur, Port Colborne, Simcoe, Toronto, Windsor, Wingham.

Manitoba, Saskatchewan and Alberta—Brandon, Calgary, Carman, Carmangay, Champion, Granum, Melfort, Moose Jaw, Nanton, Regina, Saskatoon, Stavely, Taber, Treherne, Vulcan, Winnipeg.

British Columbia—Kamloops, Penticton, Powell River, Salmon Arm, Vancouver.

Quebec—Montreal.

The amalgamation which took place between the Bank of Montreal and the Merchants Bank was the largest in the banking history of the Dominion, involving a total capital of $32,500,000.

Canadian Woollens, Limited

NOTICE OF ANNUAL MEETING

NOTICE IS HEREBY GIVEN that the fourth annual general meeting of the Shareholders of Canadian Woollens, Limited, will be held at the Head Office of the Company, McDonnell St., Peterborough, Ontario, on Tuesday, the eighteenth (18th) day of September, 1923, at the hour of 1.30 o'clock in the afternoon (Standard Time), for the purpose of receiving the report of the Directors for the past year, for the election of Directors, for the appointment of Auditors, and to transact such other business as may be properly brought before the meeting.

Dated at Peterborough, the 31st day of August, 1923.

W. TINKER,
Secretary-Treasurer.

The Dominion Bank

NOTICE is hereby given that a Dividend of three per cent. upon the paid up Capital Stock of this Institution has been declared for the quarter ending 29th September, 1923, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the 1st day of October, 1923, to shareholders of record of the 20th September, 1923.

By Order of the Board.

C. A. BOGERT,
General Mgr.

Toronto, 23rd August, 1923.

Tenders

Will be received up to and including September 1st, 1923, for the sale of $55,000 in new Public School Debentures, thirty years, five and one-half per cent., payable yearly. No tender necessarily accepted.

Dated Aug. 21, 1923.

P. J. ANDERSON,
Clerk and Treasurer,
Newmarket, Ont.

NOTICE OF DIVIDEND

Famous Players Canadian Corporation, Ltd.

NOTICE IS HEREBY GIVEN that a Dividend of $2.00 per share, for the quarter ending July 31st, 1923, has been declared upon the First Preference Stock of the Company, payable on the 31st day of August, 1923, to shareholders of record 31st July, 1923.

By order of the Board,

(Signed) N. L. NATHANSON,
Managing Director.

THE MOLSONS BANK

172nd DIVIDEND

THE Shareholders of the Molsons Bank are hereby notified that a Dividend of THREE PER CENT. (being at the rate of twelve per cent. per annum) upon the capital stock has been declared for the current quarter, and that the same will be payable at the office of the Bank in Montreal, and at the Branches, on and after the

FIRST DAY OF OCTOBER NEXT to Shareholders of record on 15th September, 1923.

THE ANNUAL GENERAL MEETING of the Shareholders of the Bank will be held at its banking house, in this city, on MONDAY, the 5th of NOVEMBER next, at three o'clock in the afternoon.

By the order of the Board.

EDWARD C. PRATT,
General Manager.

Montreal, 21st August, 1923.

The Canadian Bank of Commerce

DIVIDEND No. 146

NOTICE IS HEREBY GIVEN that a dividend of three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1923, payable at the Bank and its Branches, on and after Saturday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1923.

By Order of the Board.

JOHN AIRD,
General Manager.

Toronto, 20th July, 1923.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after Saturday, the FIRST day of SEPTEMBER next, to Shareholders of record of 31st July, 1923.

By order of the Board,

FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 20th July, 1923.

Belding Corticelli Limited

DIVIDEND No. 35

NOTICE IS HEREBY GIVEN that on the Preference Stock of this Company, the Directors have declared a Dividend of 1¾% payable on the 15th of September to shareholders of record at the close of business the 1st day of September, 1923.

By Order of the Board.

D. R. KENNEDY,
Secretary-Treasurer.

CANADA LANDED AND NATIONAL INVESTMENT COMPANY, LIMITED.

DIVIDEND No. 146

NOTICE IS HEREBY GIVEN that a DIVIDEND OF TWO AND ONE-HALF PER CENT. (being at the rate of ten per cent. per annum) on the amount paid up on the Capital Stock of this Company, has been declared for the quarter-year to the thirtieth day of September, 1923, and that the same will be payable at the office of the Company, 23 Toronto Street, Toronto, on and after the 1st day of October, 1923, to Shareholders of record at the close of business on the fifteenth day of September, 1923.

By Order of the Board,

EDWARD SAUNDERS,
Managing Director.

Toronto, August 23rd, 1923.

Woods Manufacturing Company, Limited

COMMON STOCK DIVIDEND NOTICE

THE regular quarterly dividend of Two (2%) per cent. on the COMMON STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending August 31st, 1923, has been declared payable September 1st, 1923, to shareholders of record August 28th, 1923.

By Order of the Board,

JOHN T. F. KEENE,
Secretary-Treasurer.

Montreal, August 20th, 1923.

Fifth Annual Pulp and Paper Number

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

PUBLICATION OFFICE: TORONTO, AUGUST 31, 1923

Pulp and Paper Industry Has Advanced in Strength But the Listed Stocks Only Held Their Own in Year

Market Valuation Is Still $65,000,000 Below the 1920 Peak

WHAT IS IN STORE?

With Further Solidifying of Position of Companies, Is There Good Chance of Former High Market Levels Being Reached?

IN ONE YEAR Canadian paper stocks have risen a trifle and fallen again and stand almost exactly where they were twelve months ago. Broad and general as has been the improvement in the pulp and paper industry's fundamental position the stock market has failed to reflect it or to forecast further improvement.

On August 1, 1922, the average price of six representative paper stocks was 65. On August 1, 1923, the average market price of the same stocks was 65. At the end of August, 1922, the average market price of these securities was 75. The paper stocks had quite a substantial movement in that month. At the end of August, 1923, the average market price of the same securities was about 70.

Compared on Total Values

This lack of appreciable change in the market for pulp and paper stocks during the year can be expressed another way. At the end of August, 1922, the total market valuation of the outstanding stock of the eleven listed securities was $97,500,000. In August, 1923, it stood at $98,100,000, only a trivial difference.

From the start of the after-war interest in pulp and paper development the trend of market in pulp and paper securities has demonstrated itself in this figure of the market valuation of outstanding listed securitres. The comparative figures are as follows:

Canadian Paper Stocks
Stock Market Valuations

January, 1919	$53,000,000
January, 1920	105,000,000
September, 1920	154,000,000
September, 1921	67,500,000
September, 1922	97,500,000
August, 1922	98,400,000

It will be observed that pulp and paper securities are still $65,000,000 below the peak valuation reached in 1920.

Still Well Below the Peak

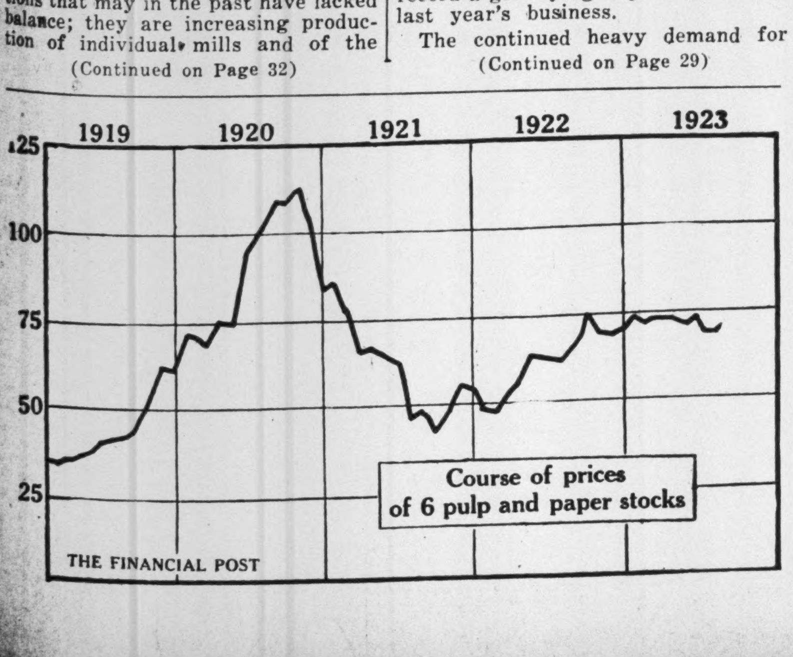
Three years ago—in October, 1920, the pulp and paper securities reached their high point, when the average value of the six representative securities mentioned above touched an index figure that may be represented at 115. This figure is not the actual average of the six stocks included but to make comparison with present figures possible, allowance has been made for "split ups" in four of the stocks. The average market value of these same stocks—Abitibi common, Brompton common, Laurentide, Howard Smith common, Spanish River common and Wayagamack—dropped steadily from this high point and reached the valley of depression in September, 1921, when the figure was 43. Then started the upward climb, somewhat uncertain at times, to a peak of 75 in September, 1922, which is not far from the figure at the present moment. As stated above it was 65 on August 1.

Why Not Greater Rise?

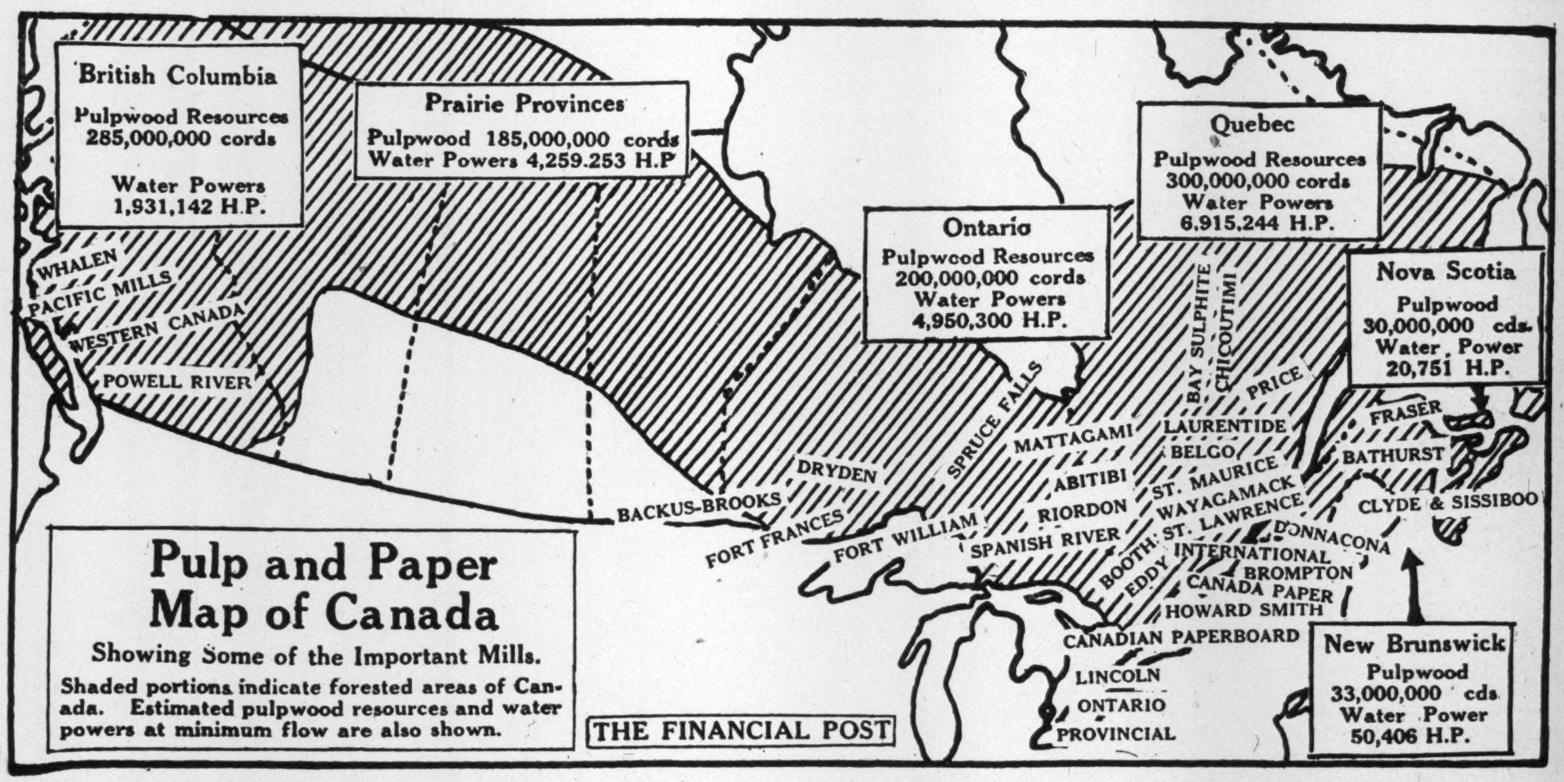
What do these figures indicate? They show that in the first year following the touching of bottom—from the late summer of 1921 to the late summer of 1922—pulp and paper securities gained about a third of their total losses during the inflation period, and that for the subsequent year—the past twelve months—they have merely held their own.

The companies are building up stronger positions both as regards working capital and reserves; they are reducing their working costs by additions that round out organizations that may in the past have lacked balance; they are increasing production of individual mills and of the

(Continued on Page 32)



Course of prices of 6 pulp and paper stocks



Pulp and Paper Map of Canada

Showing Some of the Important Mills.

Shaded portions indicate forested areas of Canada. Estimated pulpwood resources and water powers at minimum flow are also shown.

It's a Big Industry

If all the pulpwood consumed by the Canadian paper pulp and paper industry, in one year, were placed end to end it would stretch twelve times around the earth at the equator.

The newsprint paper produced in Canada in one year would be sufficient to print your copy of your morning newspaper, every week day for 16,000,000 years.

The water power used in the pulp and paper industry would provide light, heat and power for the industries and homes, and ample lighting for the streets, of the ten largest cities of Canada.

Industry Shows A Gratifying Improvement

By H. F. E. KENT,
President, Canadian Pulp & Paper Association.

H. F. E. Kent, president of the Canadian Pulp and Paper Association, who has written for this issue the following summary of present conditions on the pulp and paper industry is president of the Kinleith Paper Mills, Limited, which has its head office in Toronto and operates a mill in the Niagara Peninsula.

DURING the first six months of the year the Canadian pulp and paper industry has shown a marked improvement over conditions in 1922 and production in all lines has increased considerably. Due to the increase in general business during the latter part of last year a greater demand arose for the products of our industry and this demand has been well maintained up to date. While Canada has not experienced the excellent revival in business which was witnessed in the United States during the early part of the year, our progress has been fairly regular and possibly as sound, if slower, as in the country to the south of us. The principal branch of the industry to be benefitted by conditions in the United States was the newsprint industry and our newsprint mills have been kept running to capacity to cope with the demand. The progress, however, has not been confined to this branch, but more cheerful conditions in Canada and some of the overseas countries have been of great assistance to our fine paper mills which record a gratifying improvement over last year's business.

The continued heavy demand for

(Continued on Page 29)

British Capital Watching Canadian Paper Industry

Possibilities Excellent for British Money to Interest Itself in Industry When Exchange More Normal—A Technical Point in Canadian Law That Requires Attention

CAN WE SELL CANADIAN PAPER ABROAD?

By G. R. HALL CAINE, M.P.

BRITISH financial men have watched with great interest the development of the Canadian pulp and paper industry and the growth of American capital investment therein, but during the past few years, whilst the development of this industry has been most rapid, many factors have been at work to prevent the investment of British capital. The Grand Trunk award has of course reacted unfavorably against British investments in all Canadian enterprises including the pulp and paper industry, but I think that the effect of this on the rank and file of British investors has been exaggerated by some of the Canadian papers.

The greatest difficulty which the British investor has had to face in sending his money to Canada has been the depreciation of the pound sterling, and this difficulty, although not so acute at the present day, is still present to complicate negotiations.

In addition to the exchange fluctuations there is also a technical difficulty caused by the doubt whether the Canadian company law allows the issue of shares in pounds sterling. The British investor is very conservative and will not readily purchase dollar shares. What he requires are shares of the face value of one or five pounds and it would help materially to attract British capital to Canada if the Canadian company law were clarified to allow the issue of such shares by Canadian companies.

Capital Will Come

I believe, however, that in spite of all difficulties the possibilities to-day of attracting British money to the Canadian pulp and paper industry are excellent. There is no question that the British public have the money and with a little encouragement they are ready to invest it in such a sound development as pulp and paper mills in Canada. If I could get the technical difficulties which the Canadian company law at present puts in the way straightened out I should have no hesitation in offering a Canadian pulp and paper security on the London market and I believe it would go "with a bang."

Exports to England

Another question which I believe interests Canadians to-day is the possibility of the extension of the British market for Canadian paper. Practically all the paper exported by Canada at present consists of newsprint for the United States. A good deal of Canadian pulp is sent to England for conversion into paper there, but there is very little movement across the Atlantic of Canadian finished paper. The reasons for this are I think two fold.

Firstly, rolls of paper are very liable to damage in shipment and very wasteful of space on a ship. By the time finished paper has been railroaded from the Canadian mill to the steamer, carried across the Atlantic and railroaded from the English port to the consumer, the cost of the wasted space and the damage done in handling are enormous. Pulp on the other hand is very easy to handle, can be packed into every nook and cranny on the ship and even on deck, and is practically inpervious to any damage in transit. It is therefore more economical for England to import pulp and convert it into paper in mills conveniently situated to the consumer in spite of the extra weight involved in the transport of the pulp and extra labor involved in carrying out the manufacture in two stages instead of converting the wood straight into paper in one mill. I am aware that the Daily Mail imports a large part of its paper from Newfoundland, but much of it is also manufactured in England from imported pulp. There are also special reasons in the case of the Daily Mail which uses over 1,000 tons per week of newsprint, for the importation of finished paper which do not apply to consumers who have to consider cost before everything else.

Sizes Also a Difficulty

The second difficulty in the way of the import of finished paper from Canada by England is the matter of sizes. In the United States there are roughly only ten or fifteen sizes of newsprint paper in use. But in England the newspapers use forty-five to fifty different sizes varying from 17 1-2 to 82 inches. Not only does the size of the paper used by different publishers vary but the sizes used from day to day for the printing of the same newspapers vary. Only the very largest newspapers can afford to carry the immense stocks

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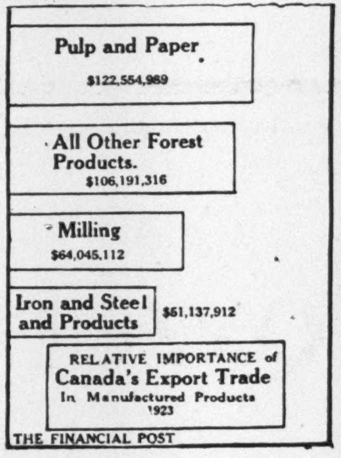
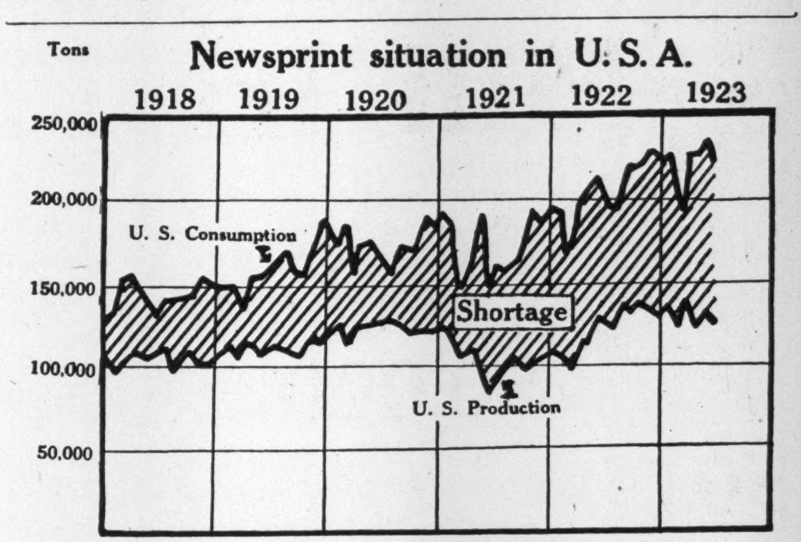
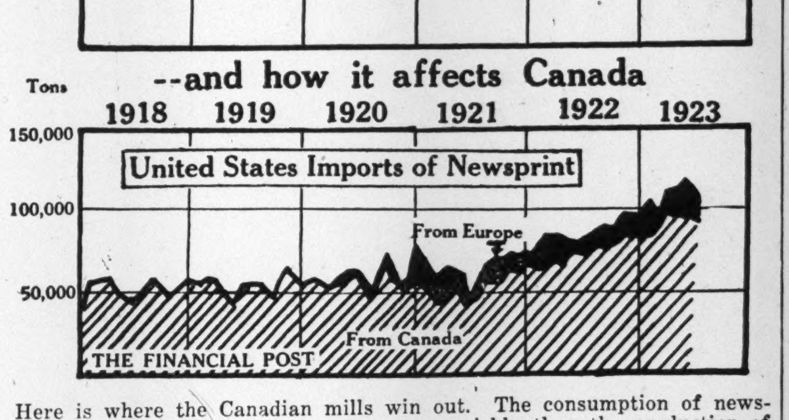


MR. HALL CAINE

G. R. Hall Caine, who writes this interesting discussion on the British market for Canadian paper and on the possibilities of British capital interesting itself in the Canadian paper industry, is interested with Sir Frederick Becker in a number of Canadian pulp and paper enterprises. He is a director of the Bay Sulphite Company and of the Chicoutimi Pulp Company. He is a director of Becker and Company, the large British paper manufacturing and distributing firm, and deputy chairman of Charles Marsden & Sons, paper makers in England. He spent some weeks in Canada this summer.





Here is where the Canadian mills win out. The consumption of newsprint in the United States is growing more quickly than the production of American mills. The upper chart indicates this. The shaded area is the shortage to be filled by imports. Imports of newsprint from Canada have grown greatly; European imports have failed to cut much of a figure. The bottom chart shows the growth of United States imports of newsprint from Canada and Europe.

5,000 TONS DAILY OF NEWSPRINT TO BE 1924 CAPACITY

New Machines Coming Into Service Will Bring Output to That Figure

NEW DEVELOPMENTS

All Over Canada Mills Are Expanding and There Are Many Other Projects in the Offing

CANADA produced over a million tons of newsprint in 1922, an increase of 25 per cent. over 1921. This year Canada will produce close to a million and a quarter tons of newsprint. Within less than two years the annual production is likely to run a million and a half tons.

This tremendous increase in output has only been achieved by greatly increasing the capacity of the Canadian mills. New mills have been built; old mills have added to their capacity. This expansion has gone on at a rapid rate ever since the end of the war. It is proceeding to-day quite as rapidly. At the end of 1921 the capacity of the newsprint mills of Canada was 1,095,600 tons. By the end of 1923 THE FINANCIAL POST estimates that it will reach 1,384,000 tons per annum or 4,610 tons a day. Allowing for machines now on order and in course of construction the newsprint capacity of Canada by the end of 1924 will be 5,040 tons daily or 1,512,000 tons per year. Working out of plans at present indefinite may increase this considerably.

Machines started this year include two at the plant of the Fort William Paper Company, which is closely associated with Spanish River. These two machines are each 196 inches wide and have a daily capacity of 80 tons.

Some Other New Machines

The St. Lawrence Paper Mills, at Three Rivers, also got their two machines running. This company is the successor of the Three Rivers Pulp and Paper Company. It has been financed to date by the Timmins brothers, who control the Hollinger Gold Mine, but the public may later be asked to subscribe for bonds or stock. The Belgo-Canadian Paper Company, which has been reorganized on the basis of an important public participation in its securities, is getting two new newsprint machines in operation this year, each with a width of 232 inches and a daily capacity of 85 tons.

The Bathurst Company, in New Brunswick, this summer put into operation one of the two machines that were financed by a bond issue not long ago. The other machine will probably come into action some time during 1924. The machines are smaller than the average, turning out a roll of paper 160 inches wide and having a daily capacity of 50 tons apiece.

Output at Over 4,000 Tons

With these new machines the daily and yearly output of each of the newsprint mills in Canada together with the total for all mills are as follows:

Newsprint Output of Canada

Name of Mill	Tons Capacity (End of 1923) Daily	Yearly
Abitibi	500	150,000
Bathurst	60	18,000
Belgo-Can.	340	102,000
Booth	145	43,500
Brompton	120	36,000
Canada	45	13,500
Donnacona	100	30,000
Eddy	55	16,500
Fort William	160	48,000
Laurentide	375	112,500
Kenora	100	30,000
News Pulp & P. Co.	30	9,000
Ontario	300	90,000
Pacific	220	66,000
Powell River	225	67,500
Price Bros.	300	90,000
St. Maurice	115	34,500
Spanish River	700	210,000
St. Lawrence	160	48,000
Fort Frances	150	45,000
International	260	78,000
Total	4,460	1,338,000

More Machines in 1924

During 1924 more machines will be installed in Canada for the production of newsprint paper. Price Brothers at their new mill at Kenogami will put in two new machines of 234 inches width and 100 tons per day capacity each. Donnacona will have completed a similar 234 inch machine of 100 tons capacity and the Ontario Paper Company, owned by the Chicago Tribune, which operates a large mill at Thorold, in the Niagara Peninsula of Ontario, will have completed and put into service a 204 inch paper making machine of 80 tons daily capacity.

These machines will bring the total capacity to the following figures:

Tc be Added During 1924

Price Bros.	200	60,000
Donnacona	100	30,000
Ontario	80	24,000
Bathurst	50	15,000
	430	129,000

Grand Total, End of 1924.

Daily capacity	4,890
Yearly capacity	1,467,000

Newsprint Stocks Compared on Basis of Capital Charges

How Much It Takes Per Ton of Paper Produced to Pay the Bond Interest and the Dividends at Present Rate of the Six Big Newsprint Mills

THERE is a wide variation in the capitalization, the interest charges and the dividend rates per ton of Canadian paper companies. Yet, with qualifications, the standing of various companies can be compared by viewing the respective showing in these and similar respects side by side.

Six of the leading newsprint companies, in the securities of which investors have a distinct interest, are reviewed. Such mills as Brompton, Wayagamack Provincial and Howard Smith are not discussed because the manufacture of newsprint is not their chief end and comparison with the newsprint mills would be unfair.

Abitibi Power and Paper

Abitibi has a total bonded indebtedness of $11,706,900, preferred stock to the amount of $1,000,000 and 250,000 shares of common stock outstanding. This gives it a total bonded indebtedness of $23,400 per ton of daily production. Abitibi's bonded indebtedness is the highest per ton of daily production of any of the newsprint mills under discussion, to some extent explained by the fact that the company has invested heavily in power development, and the rather heavy fixed charges that must be earned and paid on each ton of pulp produced are to some extent compensated for by the fact that the company is one of the lowest cost producers of newsprint in Canada. What it pays out in fixed charges it saves in timber supply and other costs.

Abitibi has to earn $5.35 a ton to pay its bond interest and preferred stock dividend. To pay a dividend at the rate of $4 per share per annum on the common, which is the present rate, it is necessary to earn $11.60 per ton and for a dividend of $6 per annum $14.70 per ton would be required for fixed charges and dividends.

Belgo-Canadian Paper

Belgo-Canadian, newly re-bonded, has a bonded indebtedness of $21,000 per ton, although it has not developed any power. On the other hand its limits are among the most valuable in Canada. It also has a substantial block of preferred stock outstanding. To pay bond interest and preferred dividends it must earn $6.30 per ton of paper produced. This figure, considered in conjunction with the fact that Belgo is a low-cost producer of newsprint suggests that dividends can be earned on the common stock at a very substantial figure. Fixed charges and dividends would take only $9.15 a ton if 4 per cent. were paid and $10.55 per ton if 6 per cent. were paid. For an 8 per cent. dividend on the common the total payments would amount to $13.10 per ton.

The Laurentide Company

Laurentide has no bonded indebtedness and no preferred stock outstanding. To continue its present dividend of 6 per cent. it seems at first glance that Laurentide must earn $13.80 per ton of newsprint produced. But this figure does not allow for the fact that Laurentide has a controlling interest in the Laurentide Power Company and derives each year a substantial income from dividends from the power sales of that company. Laurentide's profit per ton on newsprint is slightly smaller, it is believed, than that of Abitibi, Belgo or Price Brothers.

Price Brothers

Price Bros. have a bonded debt of $10,000,000 or $20,000 per ton on the basis of the output the company will have when the new mill at Kenogami is running. The construction of this mill has been provided for by the sale of the $10,000,000 of bonds. Bond interest takes $3.75 per ton on this production and the 2 per cent. dividend takes $3.45 per ton additional or $7.20 per ton in all. The full capitalization has not been taken, in considering the amount that would have to be earned per ton, for Price Brothers is a large operator in the lumber business, having ten saw mills going. The sum of $15,000,000 of the capital stock has been deducted from the outstanding capitalization to allow for this portion of the business, although at the moment the business is not highly profitable.

CHARGES PER TON

	Bonds and Pref. Div.	Com. Div.
Abitibi . .	$5.35	$11.60 at $4
Belgo . . .	6.30	None
Laurentide	None	13.80
Price Bros.	3.75	7.20 at 2%
St. Maurice	None	13.15 at 6%
Span. River	8.45	11.75 at 7%

St. Maurice Paper

The St. Maurice Paper Company, like the Laurentide, has neither bonds nor preference stock outstanding. The amount that must be earned per ton to pay the present dividend of 6 per cent. is difficult to figure because of the fact that the company produces in addition to newsprint, a great deal more pulp than it uses, but a close calculation places it as just about $13.15 per ton, without considering the profits on the other business.

Spanish River

Spanish River is the largest newsprint producer and has a bonded indebtedness of $20,000 per ton, which by the way seems to strike very near the average for the companies that have bonds outstanding and seems almost to set up a standard of comparison.

Spanish River's bonded indebtedness is $13,031,960 and there is in addition $8,618,600 of preferred stock outstanding. To pay bond interest, dividends on the preferred stock and the proportion of the dividends that is payable to bond holders takes $8.45 per ton of production. This means that to continue the present dividend of 7 per cent on the common stock, a total of $11.75 per ton must be paid out. Spanish, however, has higher costs than most of the other mills.

Can Capitalization Be Compared?

Attempts have been made too to compare the companies on the basis of capitalization per ton of production either on the basis of tons per day or tons per year. But here factors enter in that make fair comparison difficult. One such comparison, for instance, could take the total capitalization of the Abitibi Company as $17,706,900, which averages out at $35,400 per ton of daily production and puts it at the front of the list as having the lowest capitalization per ton of daily production of any of the newsprint mills. This is giving each no par value share of Abitibi an arbitrary par value of $20, which is the figure at which the stock is carried in the company's balance sheet. But it is perhaps just as fair to give the shares a valuation for purpose of the comparison of $100 a share and this gives Abibiti the highest capitalization per ton of daily production of any of the companies, or $75,400.

But for the statistically inclined, comparative figures are given of the six companies on this basis. St. Maurice's production is taken at 115 tons per day. Price Brothers again allows for lumber as above. The projected production of Price is also counted on.

Abitibi	$35,400 or	$75,000
Belgo		53,900
Laurentide		72,000
Price Brothers		75,300
St. Maurice		68,600
Spanish River		47,000

An accompanying table figures the capitalization per ton on the basis of the market value of the different stocks.

HOW MARKET VALUES EACH COMPANY

Another interesting compilation regarding the newsprint companies is to figure the market value per ton of daily production. In the case of the six leaders this works out as below. This shows that the market places a value of about $50,000 on the companies for each ton of paper that can be produced in a day. It is higher for the companies that have no bonded indebtedness. The figure for Belgo is arbitrary, the common being taken at $100, but it indicates that the present capitalization is very fair.

Newsprint mills are often valued at $35,000 a ton of daily production, to which would have to be added the value of pulpwood in limits controlled, railways, townsites, etc.

It will be noticed that a higher valuation per ton is placed on Abitibi, for instance, a low cost producer, than on Spanish River, which makes a smaller net profit per ton than Abitibi. Price Brothers is given a high valuation per ton but the company has an extensive lumber business which has not, however, been profitable for a couple of years past.

	Daily Tonnage	Market Value of Securities Outstanding Total	Per Ton
Abitibi	500	$27,450,000	$54,500
Belgo	380	20,500,000*	54,000
Laurentide	360	27,360,000	76,000
Price Bros.	500	28,400,000†	56,800
St. Maurice	115	8,120,000†	70,600
Spanish River	680	29,480,000	43,350

*Assuming common at $50.

†No allowance for capital in lumber.

PULP AND PAPER

—is Canada's greatest industry on the basis of capitalization;

—is Canada's greatest exporting industry;

—is rapidly becoming Canada's greatest industry on the basis of output;

—employs directly, 30,000 workers.

GROWTH THAT INSPIRES CONFIDENCE

Exports of Pulp and Paper from Canada

Year	Paper	Chem. Pulp	Mech. Pulp	Total
1911	$ 3,924,452	$ 1,308,101	$ 4,407,431	$ 8,639,984
1912	3,885,881	1,587,533	3,506,770	8,960,186
1913	6,341,088	2,100,842	3,408,702	11,850,632
1914	12,690,549	2,923,083	3,441,741	19,055,373
1915	15,500,064	4,806,622	6,801,011	27,107,997
1916	20,042,806	4,459,539	3,575,537	28,077,882
1917	26,107,824	14,032,920	6,371,133	46,521,877
1918	37,865,330	19,133,813	6,487,079	63,506,222
1919	49,165,795	30,226,856	4,479,915	83,862,566
1920	63,253,419	33,000,063	8,383,419	104,636,901
1921	92,103,307	55,060,219	16,491,818	163,655,344
1922	69,533,418	25,468,785	10,456,092	105,478,295
1923	79,567,941	33,434,056	9,552,892	122,554,889

Defining Some Paper Terms

After all, there are thousands of investors in the pulp and paper securities who do not know the meaning of the technical terms they see in printed prospectuses and that they hear at the annual meetings of the companies. Here in non-technical language is a short description of some of the leading words and phrases:

Groundwood, or mechanical pulp. Groundwood is just what the name implies. After pulpwood has been received at the groundwood mill and cut into short lengths it is ground into a fine paste by being pressed against a large grindstone that is revolving at a high rate of speed. Water is fed in and the product of the grinding is a fine slush that is screened to remove the coarser particles. The mills that manufacture groundwood for sale to other mills squeeze out much of the water before shipment, but in the mills where paper is made from the groundwood the pulp is pumped through pipes to the paper machines. Groundwood is the chief constituent of newsprint and some other papers. It is mixed with other pulps in quantities that depend upon the grade of paper required. Newsprint is about four-fifths groundwood pulp but a quantity of sulphite pulp is added to give necessary strength to the paper.

High Grade Papers are made by various processes. Some of the grades of book, writing and ledger papers are made by a process similar to newsprint, (which see) but at a much slower speed and with higher grades of pulp. Others are made practically by hand on smaller machines. For many grades "rags" are used to make the pulp. These "rags" really are not anything of the kind, for they are carefully selected clippings from textile mills that are bleached and manufactured into pulp with the most extraordinary care.

Kraft Wrapping is a wrapping paper of a tough texture made from sulphate pulp. Kraft is the German word for strong. The kraft pulp is now almost synonomous with sulphate pulp.

Newsprint is a cheaper grade of white paper made from about 80 per cent. of groundwood pulp and about 20 per cent. of sulphite pulp. It is made on a machine that will turn out a strip up to 234 inches wide in some cases as rapidly as 1,000 feet a minute. Some machines turn out 100 tons of paper a day. The pulp is fed into a large box at one end where it goes, highly diluted, to a wire screen where the fibres of the pulp become interlocked by vertical and lateral shaking. Still proceeding at tremendous speed the thin layer of pulp, now removed from much of its water by a suction process, is transferred to a wide strip of felt that passes between rollers that first of all press out the remaining water and then pass the strip of rapidly-forming paper to another series of rollers that are heated by steam and dry the paper. Finally it is wound on a roller at the end of the machine.

Sulphite Pulp is the most important of the so-called chemical pulps. It is manufactured by chipping pulpwood into tiny flakes that are then cooked with various acids until the fibres have disintegrated and non-fibrous material can be removed. Sulphite pulp is made only from selected wood of the highest grade. It can be bleached with facility for use in high grade papers that must be pure white. It is much more expensive than groundwood pulp.

Sulphate Pulp is less used than sulphite pulp and is is not a constituent of newsprint or higher grade papers as are groundwood and sulphite pulps. It is manufactured from a lower grade of wood and the chemical process of cooking is somewhat different. The result is a pulp with longer and tougher fibres than the sulphite and the pulp is therefore used in the manufacture of wrapping papers and for the manufacture of bags. The pulp, by reason of the process of manufacture, is a brown tint that cannot be as easily bleached as can the greyish fibres of sulphite pulp. Wrapping paper manufactured from sulphate pulp is called kraft.

Abitibi Power & Paper Co.
Limited
MONTREAL

The Largest Newsprint Mill In The World

Yearly Capacity:
150,000 TONS NEWSPRINT
50,000 TONS GROUNDWOOD PULP
20,000 TONS SULPHITE PULP

Mills at
IROQUOIS FALLS
ONTARIO

Looking at the Pulp and Paper Industry From the Standpoint of the Investor

IT HAS been a year of progress, of recovery and expansion, that has been experienced in the Canadian pulp and paper industry during the past twelve months. Outstanding among the developments of the year has been the greatly increased production of the industry through the establishment of many new mills and the enlargement of the output of many existing mills. For the existing companies, there has been the benefit of better markets for the finished product, less difficult operating conditions and firm prices. This has shown itself in increased surpluses for many of the companies, in the resumption of dividend payments in some cases where it had been postponed and naturally in a tendency to slightly higher market prices for the securities of the pulp and paper companies.

Newsprint Goes Ahead Rapidly

Especially in the newsprint industry has Canada been developing at a rapid rate. This is one of the most important branches of the industry and provides not only the bulk of the production in paper but also the most important volume of export. Canada has been rapidly climbing up to neck and neck position with the United States in the production of newsprint. As recently as 1917, the figures indicate the United States produced twice as much newsprint as Canada. And yet by 1924 it is now practically certain that Canada will be producing more newsprint per day than the United States.

The figures representing the export of newsprint are equally encouraging. For 1922 the total was 35 per cent. in excess of that for 1921. Canada exported last year more than 88 per cent. of all the newsprint it produced, retaining only 12 per cent. for domestic use. The United States is still the largest customer, having purchased last year 887,000 tons or 82 per cent. of the total production.

Outlook for Larger Exports

It is practically certain that Canada will continue to export a large quantity of newsprint. The United States consumption of newsprint is rapidly rising, due not only to the increase in the volume of advertising appearing in newspapers but to larger circulations that have been made possible by the increase in population and the spread of knowledge. And with United States production of newsprint actually declining, there seems no danger of a saturation point being reached at any early date. Foreign competition is not considered as a serious factor. Canada has low cost production and low freight rates to American points. Germany is practically out of the market and Scandinavian paper is not coming to the United States in very large quantities.

Exports of Other Papers

In a somewhat more restricted degree what applies to newsprint applies to other grades of paper. Canada does export some high-grade papers, but chiefly at a small margin of profit. The business is valuable in helping to lower the cost of production in Canada. But the exports are growing rapidly and this growth suggests that eventually Canada's exports of high-grade papers may be a very important and profitable factor. The mills producing high-grde paper have all improved their position greatly and the domestic demand is holding up very well.

Production of mechanical and chemical pulp has naturally had to go up to keep pace with the increase in the output of paper. There have been a number of new ground wood and sulphite mills established.

Canadian Kraft Leads

A word could be added concerning kraft paper or wrapping paper. Canadian kraft papers are considered to be superior in quality to those produced anywhere else and are gradually making a place for themselves in every part of the world. They have not achieved distribution in every market, because the United States and Australia, which are important markets, have high tariff laws. But in other parts of the world Canadian kraft papers are being widely distributed.

The outlook for the industry is most gratifying. Canada is becoming recognized more and more as a leader in pulp and paper making. The immensity of our forests, the conservation of which is now a live issue, the size and location of our water powers and the convenient shipping arrangements of the country have given the industry a most solid foundation. For the present there is a tendency to firmer prices noted without any great increase in costs in the offing and this should have an excellent effect from an earnings standpoint.

Industry is Really Young

Considering the pulp and paper industry at the present time from the investment standpoint, one must consider the comparative youth of the industry. This lack of attainment to a ripe old age need not present any feeling of uncertainty as to the soundness of the industry itself. At the same time the companies have not had the opportunity of building up large reserves and it was to some extent this feature that brought about the disappointments of the period of deflation. Gross earnings and net earnings during this period fell away greatly from the high profits of the inflated period and unfortunately during this period of inflation many of the companies had continued to pay dividends that were hardly warranted when the need of building up large reserves was considered.

During the period of most rapid growth the companies had been building extensively, adding new plants and machinery, and had borrowed practically to the limit of their borrowing power, to provide the funds for this expansion. This hardly left them in a position to borrow for working capital except upon somewhat onerous terms. When the difficult period came and large losses were taken on the "wood pile" and on account of operations carried on in unsatisfactory selling markets, there was nothing to do but to drop the dividends and a few companies even had to go into the extent of reorganization.

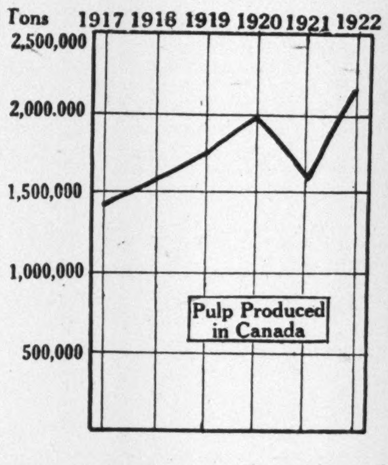
Companies Now Better Off

All of these comments are spoken in a very general spirit and do not apply to many of the companies. Nor are they necessarily pessimsitic, for the advance from the more or less uncertain and unsatisfactory conditions has been very definite and the pulp and paper companies on the whole are now in an excellent position, building up strong working capital, paying off their bonded indebtedness, resuming their dividends or getting ready to do so, and generally consolidating balance sheets.

To some extent the market action of the pulp and paper securities during the past year has been disappointing. The present level of prices is little over the prices that prevailed a year ago. Yet in this very situation exists the opportunity for the investor for the securities of a few of the companies are selling anywhere near the high levels reached in 1920, although basic conditions in the industry are much sounder now than then.

Although higher prices have been talked of for paper, there is no immediate sign that these will come. Certainly nothing would provide a stronger "bull" element in the market than increased paper prices, but the stocks should give an excellent account of themselves during the coming year even without any such inducement to strength as this.

In considering the present market prices of some of the companies, prices which seem low in view of the almost unassailable position of the pulp and paper industry, it must be considered that in 1920-21 many of the companies split their stock into two, three of five shares of new stock and this fact should certainly be considered in sizing up the present market prices of the stocks.

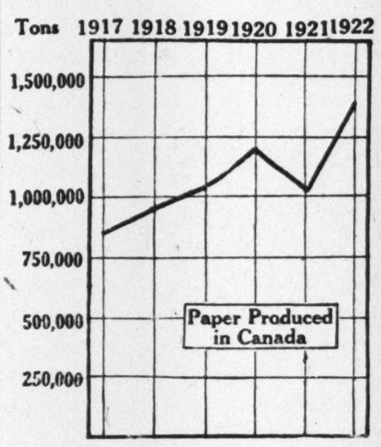


Industry is Going Ahead

The industry on the whole is sound and steadily progressing. It has attracted the attention of American investors to a large degree and is likely to attract British capital too, when exchange conditions are more nearly normal. Many of the stocks that have been widely traded in are slowly but surely getting into the hands of steadier type of investors who are holding them for ultimate profit and income, rather than for immediate speculative use. This is a strong factor.

Canadians now hold close to 70 per cent. of the securities of Canadian pulp and paper companies. And the holdings of the Canadian investor, that is holdings that actually represent permanent investment of funds rather than in and out market trading are likely to increase in volume even though the percentage might decrease with the influx of foreign capital for new mills.

Investors in the industry who exercise a certain descrimination in their choice of securities are certain to be rewarded well.



What Will Stock Market Do?

WHICH WAY will the market in pulp and paper securities move? No one has any doubt as to the ultimate course of Canadian pulp and paper securities; as they grow in strength the stock market will reflect this improvement. But as to the more immediate future of pulp and paper securities—the trend during the next six months or so—there may be room for doubt.

A very pessimistic viewpoint can be taken and in fact has been taken by a number of individuals who feel that prices of pulp and paper securities are due for downward readjustment. Such a viewpoint is expressed in the summary below which has been contributed to THE FINANCIAL POST by an investment and business student of some considerable training. It is given here merely for the consideration of the investor. He may disagree entirely with the viewpoint. The other side of the case is also given: the more optimistic elements in the situation.

It may or may not be significant that most of the leaders in the pulp and paper industry and most investment bankers hold to the brighter view and feel that no readjustment is due in the pulp and paper stock market as it stands to-day.

U. S. Business Declines

First, let us read what this contributor has to say:

"In March of 1920 production of newsprint in Canada was 77,484 tons. It steadily declined from this figure until it reached 49,308 tons in May of 1921. From that time on the production has been increasing month by month until it reached 110,252 tons in May, 1923, the latest figures available. All mills are now working to capacity.

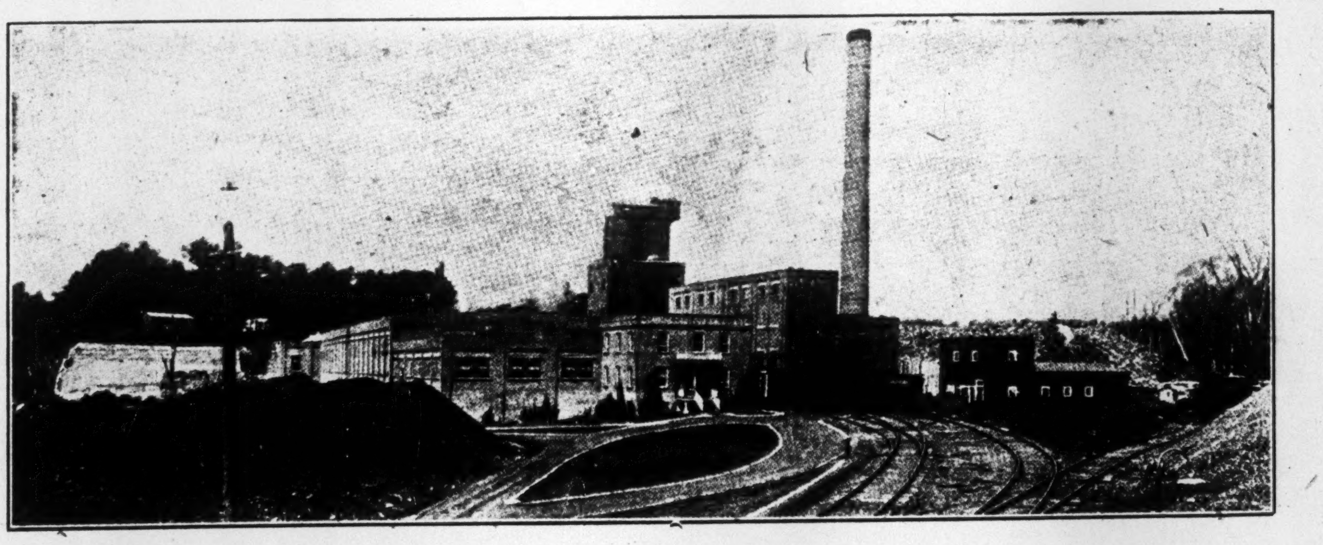
"It is interesting to note that the peak in production in March of 1920, occurred four months after business started to decline in the United States, and the low point in production was reached in May of 1921, or two months after the improvement of business started in the United States. This comparison with the United States is made because 85 per cent. of our production is consumed in the United States markets.

"Business in the United States again started to decline in March of this year, and is still declining. Many textile mills are running three days a week only, and some are shut down entirely. There is an over-production of automobiles and automobile tires, and the unfilled orders of the United States Steel Co. are declining. These conditions, coupled with a declining commodity market, do not speak well for any change for the better until business becomes adjusted to these lower levels. The country cannot be prosperous as long as the farmers of the country are receiving prices for their products which leave them no margin of profit whatever, when at the same time they are forced to pay high prices for all the manufactured goods that they purchase. This maladjustment between industry and agriculture must be corrected before true prosperity can set in, either in this country or in the United States. Prospects are not bright for any increase in the price of agricultural products, so therefore the adjustment must be made in the price of manufactured goods, and this can only be brought about in the usual way by shutting down of factories, unemployment, and finally lower wages. This situation is being brought about by the large imports into the United States of European manufactured goods, which can be sold profitably in the United States because of high prices, which have been directly brought about by the Fordney-McComber tariff and the large supply of gold.

"Assuming therefore that business must continue to decline for some time in the United States, what will be the effect on the Canadian pulp and paper industry? It was shown above that production in 1920 reached its peak in Canada four months after the declines on business set in, in the United States. On the same basis production in Canada should reach its peak in July or August of this year. This of course does not necessarily hold true. The peak may not be reached for six or eight months, or even longer, but it does seem conclusive, and feasible to assume that when conditions become bad in our only market, that consumption of newsprint should fall off, even in the face of record figures for circulation of daily and Sunday papers. It must be remembered that these circulation figures are old, and are of achieve-

(Continued on page 31)

DONNACONA PAPER CO.
LIMITED



Manufacturers of
HIGH GRADE
Newsprints, Sulphite and Groundwood Pulp
DONNACONA, QUEBEC.

BIG JUMP COMING IN PAPER OUTPUT OF NEWFOUNDLAND

Humber Arm Development Alone Will Turn Out 400 Tons Daily

TIMBER AND POWER

Island Has Abundance of Natural Resources That Form Backing of the Pulp and Paper Industry

By **W. A. DONER,**
Staff Representative of The Financial Post.

VERY shortly Newfoundland, Canada's nearest neighbour, is likely to be producing in the neighbourhood of 800 tons of newsprint per day or 250,000 tons per year. The development of the pulp and paper industry on the island is bound to be very rapid, for the projects now under way and planned will quadruple the daily output of Newfoundland mills.

It gave a tremendous boost to the industry last month when the legislature of the Dominion passed a bill authorizing the government to make arrangements with the Armstrong-Whitworth Company for the erection of a mill with a capacity of 400 tons of newsprint daily. This project, which was planned by the Reids before the war, is now assured of realization.

Basis of the Industry

Newfoundland has two great rivers. One is the Exploits River which was developed a number of years ago by the Harmsworth interests of London. Utilizing the power on this river and the nearby supplies of pulpwood, these interests, through a company known as the Anglo-Newfoundland Development Company, have had, in very successful operation since before the war, a large mill manufacturing newsprint paper and turning out 215 tons per day. This paper is used by the Harmsworth-Northcliffe papers of London, such as The News, The Daily Mail, etc. The Exploits river empties into the sea on the east coast of Newfoundland and practically all the timberlands in the area of the river are held by the Anglo-Newfoundland Development Company.

The other great river on the island is the Humber, which empties into the Gulf of St. Lawrence at the Bay of Islands, and it is at the mouth of this river that new mills are to be erected to turn out 400 tons per day of newsprint paper. Ocean-going steamers of deep draft may dock at the mill without difficulty.

History of the Project

Before the war the Reids who were connected with the Reid-Newfoundland Railway and the pulp and paper industry in a small way had an extensive survey made of the Humber river drainage area. with the idea of building at the mouth of the river an industrial city involving large newsprint paper mills, together with certain chemical industries. But this project failed of realization owing to the world war.

Shortly after the end of the war, the Reids interested the Sir W. G. Armstrong, Whitworth Co. Ltd., of England, to join with them and carry out their original plans. Under this plan the financing of the mills would be arranged by the guarantee on the part of the Newfoundland government of a bond issue of nine million dollars and the guarantee by the Imperial Government under the authority of the Trade Facilities Act of a bond issue of two million pounds.

When all seemed to be going well opposition developed from various quarters and the project almost fell through. But the energetic. then-premier of Newfoundland, Sir Richard Squires, went to London and spent several months fighting the plans through. His efforts were successful and opposition was withdrawn. After the preliminary vicissitudes it was necessary to get the project passed by the legislature of the island and it became the basis of discussion in the general elections held this year. Sir Richard Spuires was returned to the polls and immediately made arrangements to have the agreement finally confirmed.

The timber resources of the Humber are ample to supply a mill of this size and even greater capacity. A hydraulic survey of the Humber showed to be available over 125,000 h.p. every day in the year, which insures ample cheap power.

Canal Ten Miles Long

In addition to being a gigantic pulp and paper proposition the development will be the most ambitious hydro-electric plant in Newfoundland. The mill planned will be operated by the Humber river power and this will necessitate a canal ten miles long. The canal will vary in width from 100 feet to 200 feet and will cost about five million dollars. There will be a dam 75 feet high and 1,200 feet wide. This dam will retain the Grand Lake waters, which have an area of about 200 square miles. It is proposed to develop about 100,000 h.p. at the present time. The additional horse power will be available later when required. The whole development will involve an expenditure of about $25,000,000. The construction work in Newfoundland will employ 4,000 men and the establishment of the industry will mean regular work for between 2,000 or 3,000 on lumbering and in the pulp and paper mill.

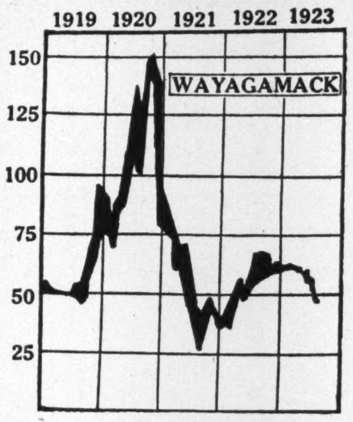
This will be the largest development on the island when completed and will rank favorably with the largest mills in Canada. Only one larger mill exists in Canada; that of the Abitibi Company at Iroquois Falls, where 500 tons of paper a day is the capacity.

It is now understood that the Anglo-Newfoundland Development Company plans to enlarge its mills in the interior. In addition the St. Lawrence Company, operating on the west coast, proposes to erect a 100 ton paper mill. These additional projects will bring the capacity to 800 tons a day. The government of Newfoundland is going after new industries because it has both the power and the pulpwood to supply, and every encouragement is being offered to private initiative in the development of the industry in the colony.

A handsome revenue will accrue to the Newfoundland government as the result of this development, for the paper mills will pay the government an export tax of $1 per ton on paper shipped outside. This will mean, of course, practically the entire output.

WAYAGAMACK—Plant is Busy After Big Lull

Wayagamack stands as the largest manufacturer of sulphate pulp and kraft wrapping paper in the world. The company's growth has been steady and is largely the result of re-investment of profits in the business. The products are shipped all over the world; Wayagamack has a very large export business. Pulp when not used for its own paper, is largely shipped to the United States where it enters duty free. There is a 25 to 30 per cent. tariff against wrapping paper entering the United States and for that reason the export markets in this commodity are farther removed than on the pulp. Of the wrapping paper produced by Wayagamack about 40 per cent. is sold in Canada and about 60 per cent. is exported to Great Britain, France, South Africa, Australia, New Zealand, Japan, China, India, Mexico, South and Central America and the West Indies.



The company had a steady growth until 1921 when world markets for its products went through a very bad slump that greatly affected the company's earnings position. Earnings were reduced and in 1921 the company showed an actual operating loss. But conditions have since changed The company is finding no difficulty in marketing its products and at fair prices. In 1922 a profit of $372,000 was shown on operations and the annual report also indicated a considerably improved liquid position. The results this year have been satisfactory and the outlook remains very favorable.

The company now sells a large part of its sulphate pulp production, but it is a logical development that eventually all of the pulp produced at the plant will be manufactured into paper, the final product, within the organization. This is an ideal to strive for and is likely to be attained in time.

The natural advantages of the plant with a river channel to bring down logs and another river channel—the St. Lawrence—capable of accommodating ocean vessels to take away the finished product; with excellent pulpwood and power supply and a record of steady growth from a fifty ton mill in 1913 to its present capacity, Wayagamack is one of the most interesting of Canadian paper mills.

CAPITALIZATION

	Par value	Outstanding
Capital stock	$100	$5,000,000

Only one class of shares.

Bonded Indebtedness

1st mtge. bonds 6% due 1951 $4,580,500

Only one bond issue outstanding.

Dividend Record

5% paid for year ending 30th November, 1920, two quarterly payments of 1½% next year and since passed.

Pulpwood Supply—The company holds under crown license 2,056 square miles of well located timber limits, estimated to contain sufficient pulpwood for all future operations.

Mills are located at Three Rivers, Quebec, with docks for ocean going vessels.

Production—260 tons sulphate kraft pulp, 125 tons glazed and unglazed wrapping paper daily. The company also produces 20,000,000 feet B.M. of lumber yearly.

Officers—C. R. Whitehead, president and general manager; Jas. W. Pyke, vice-president; F. I. Ritchie, manager; George Henderson, comptroller; E. L. Wilson, secretary; D. L. Adams, treasurer; R. Collins, general superintendent.

Directors—C. R. Whitehead, J. W. Pyke, Hugh Mackay, K.C., G. H. Duggan, Alex. Maclaren, Sir Wm. Price, N. J. Dawes.

Profit and Loss Account—	Year Ending Nov. 30th 1922	1921	1920
Net Earn.	$372,030	$156,712*	$2,152,707
Bond In. etc.	270,854	220,000	220,000
Deprec. ..	160,000	160,000	160,000
Stumpage	50,068	120,928	297,900
Reserve for War Tax	.....	.....	366,000
	†$108,892	†$657,640	$1,108,807
Dividends	......	150,000	250,000
	†$108,892	†$807,640	$858,807

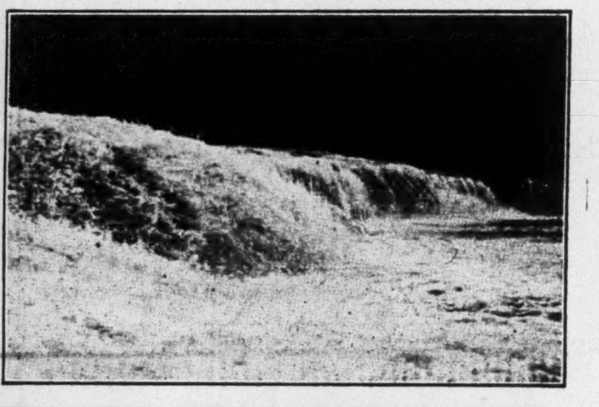
Tons* Def. †

Stock Market Record

	High	Low
1917	97	50
1918	55	50
1919	90	46
1920	145¾	71
1921	89	27
1922	65½	34
1923 to August	61¼	47

NEWFOUNDLAND

WHERE THE PULP AND PAPER INDUSTRY IS ON THE THRESHOLD OF EXPANSION



CROWN LANDS

All land that is not privately owned in Newfoundland is held by the Crown—that is, the Government—and is open for purchase. Applications for purchase of these lands should be made to the Crown Lands Office of the Department of Agriculture and Mines at St. John's.

WITH ten thousand square miles of well wooded timber land, Newfoundland offers excellent opportunities in the pulp and paper industry. The timber on the island has a standing value of half a billion dollars; it grows quickly and reproduces on an average in thirty years.

The manufacture of wood pulp and paper in Newfoundland is of recent growth but wonderful progress has been made, due to large and conveniently located water power resources, an abundant supply of black spruce and fir for pulp, and unexcelled shipping facilities.

The Anglo-Newfoundland Development Company, Ltd., founded by the late Lord Northcliffe, operates in Newfoundland one of the largest mills in the world for the manufacture of pulp and paper. The works represent an investment of $6,000,000, and one located at Grand Falls. Over 600 men are permanently employed and 4,000 square miles of timber lands are controlled by the Company.

Under Newfoundland law, the export of unmanufactured pulpwood is prohibited, though of recent years this regulation has been relaxed and pulpwood cut under contract with the government and for relief of unemployment following the war is allowed to be shipped abroad, an export tax of one dollar per cord being imposed.

Albert E. Reed & Co., Ltd., also operate mills at Bishop Falls.

They own an area of 820 square miles and manufacture pulp only.

Terra Nova Sulphite Co., a Norwegian concern, has just completed, at a cost of $2,500,000, a modern plant at Alexander Bay, B.B., for the manufacture of sulphite pulp.

Work has commenced on the construction of a large power and paper plant at Humber Arm, that will cost in the neighborhood of $25,000,000 and have a daily output of 400 tons of newsprint paper. The company is controlled by Sir W. G. Armstrong-Whitworth, Ltd.

To aid the establishment of this industry in Newfoundland, the government of the Dominion has guaranteed bonds of the enterprise to the amount of $9,000,000 and an additional guarantee of a similar sum has been given by the British Government.

This guarantee is in accordance with the policy of the government of Newfoundland to give every proper encouragement to private initiative in developing the pulp and paper industry.

TIMBER LANDS AND LICENCES

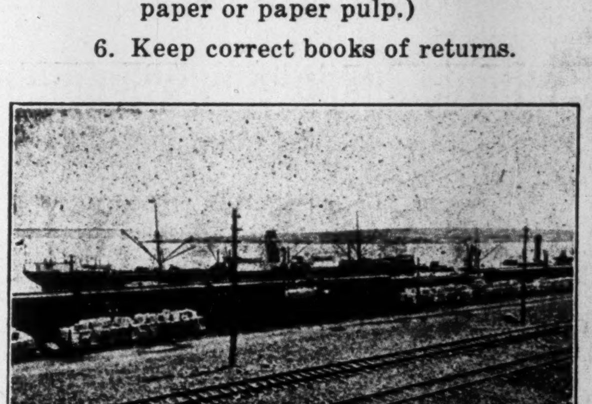
Large areas in Newfoundland are held under timber licences, that is, individuals and companies have secured the right to cut timber over given localities. The price paid to the Government for these licences is by way of bonus, which varies according to the value of the limits, but in no case is it less than $200 per square mile. The price is payable within thirty days from the date of application.

These Timber Licences are granted for terms up to 99 years, and one month's notice of intention to apply for same must be given in the Royal Gazette of Newfoundland.

The conditions under which Timber Licences are granted are as follows:

The licensee must:

1. Erect a saw mill or pulp and paper factory, or establish a manufactory of wood goods considered equivalent to the above, and must work the limit in a bona fide manner.
2. Utilize all the timber fit for use from the trees he cuts down for manufacture into sawn lumber or other saleable products.
3. Prevent destruction of growing timber.
4. Make returns to the Government annually, before the 30th November of each year.
5. Pay an annual ground rent of $2 per square mile. (No royalty is payable on timber trees manufactured into paper or paper pulp.)
6. Keep correct books of returns.



Applicants for Timber Licences must at their own expense cause the limit to be surveyed, and the boundaries marked by a "blazed line."

The value of pulp and paper exported from Newfoundland totals about $5,000,000 a year and with the larger developments under way is certain to grow well beyond that figure shortly. Figures of paper and pulp exports during the past four years have been as follows:

MANUFACTURED PAPER

	Tons	Value
1919-1920	80,717	$4,725,660
1920-1921	62,311	4,646,582
1921-1922	34,512	3,088,260
1922-1923	....	....

PULP AND SULPHIDE

	Tons	Value
1919-1920	19,864	$334,276
1920-1921	26,838	246,009
1921-1922	19,932	364,514
1922-1923	....	....

Further data about the timber and power resources of Newfoundland and information regarding licences can be obtained from the Minister of Agriculture and Mines, St. John's, Newfoundland.

GOVERNMENT OFFICES: ST. JOHN'S, NEWFOUNDLAND

JOSEPH DOWNEY, M.D., *Minister of Agriculture and Mines*
GEO. F. TURNER, J.P., I.S.O., *Deputy Minister*

ABITIBI—Setting Up New Production Records

After a period of expansion that made actual calculation of costs and profits difficult, Abitibi is now in the position to reap the benefits of the enlarged producton that recent heavy expenditures have made possible. Almost every month the mills have piled up new records of daily production and are averaging close to the 500 tons a day of newsprint, which is the aim of the management. When the mills can run along regularly producing close to 500 tons of newsprint daily the margin of profit will be most satisfactory, for capacity production can be financed with little increase in expense over the production at 475 tons a day or so.

The figures of Abitibi's 1922 financial year seems to indicate that there will be no difficulty in earning the present dividend and a good margin besides. Earnings in 1922 were approximately a million and three quarter dollars while the dividend at the present rate takes one million dollars a year. This is figuring on four dollars a share. At the present time gross receipts are running higher than last year and expenses are down somewhat. This means higher net earnings available for common dividends.

The fact that the "wood pile" which was very large when the slump in pulpwood prices came has been written down by now to present price levels and the losses absorbed and that the construction liabilities are practically wiped out has tended to improve the financial position to some degree.

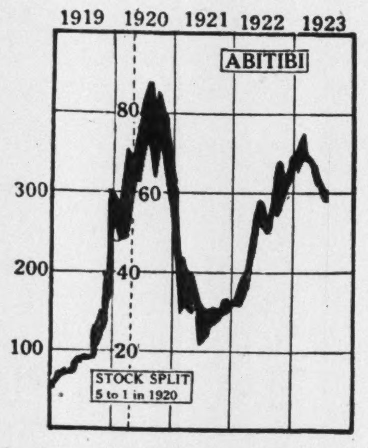
Abitibi produces newsprint at a low cost. Pulpwood limits are adjacent to the mills at Iroquois Falls and much wood is purchased from settlers. In addition to having an easily available supply of pulpwood sufficient for many, many years, the company has water power from the Ontario provincial government on most favorable terms. There is an excellent labor supply due to the fact that the company has through subsidiary companies established a townsite that has attracted a superior class of skilled and unskilled labor who put into their work an enthusiasm reflecting the efforts of the company to provide for their happiness and comfort. The mill at Iroquois Falls is the largest individual newsprint mill in Canada.

Probably the true advance in the company's position will not be known until the 1923 annual report comes out, for the 1921 and 1922 reports reflected conditions in decidedly abnormal years. In one year the whole industry was in the process of reorganization. In the other year the company was completing an expensive construction program that interfered with costs and with production. The company sends out a trainload of paper, from 18 to 20 cars, every day in the week except Sunday. It has a pulp capacity in excess of the needs of its newsprint mill, but surplus pulp is only sold when prices are high enough to offer an attractive margin of profit.

CAPITALIZATION

	Par	Outstanding
7% Cum. Preferred	$100	$1,000,000
Common stock ...	None	250,000†

†Shares



On May 1st, 1920, the old $100 par value shares were exchanged for five new shares of no par value.

Bonded Indebtedness

1st mtge. bonds 6% due 1922-24	$3,523,500
Gen. mtge. bonds 6% due 1940	4,000,000
Con. mtge. bonds 8% due 1931	4,183,400

Dividend Record

Preferred—7% per annum, payable 2nd January, April, July and October.

Common—1919, 1½%. 1920, 12% on old stock plus $3.00 on new stock; 1921, $2.50 a share. 1922; $1.00. Now on basis of $4.00 yearly.

Properties

Pulpwood Supply — Controls under lease 1,000,000 acres of pulpwood lands estimated to contain 5,000,000 cords of pulpwood.

Mills are situated at Iroquois Falls, Ontario, and are equipped with eight newsprint machines in addition to pulp making machinery.

Production—Capacity totals 510 tons of groundwood pulp; 140 tons of sulphite pulp; 500 tons of newsprint and 30 tons of wrapping paper.

Officers — F. H. Anson, president; Alexander Smith, vice-president; L. R. Wilson, secretary; W. H. Smith, treasurer; R. A. McInnis, mill manager; T. Broadhurst, comptroller.

Directors—George H. Kilmer, K.C.; W. K. George, Geo. E. Challes, Alexander Smith, F. H. Anson, Victor E. Mitchell, K.C., D. C. L.; Sir Thos. Tait, W. A. Black, A. J. Brown, K.C.

Profit and Loss Account

Year Ending December 31st	1922 $	1921 $	1920 $
Receipts .	9,461,299	8,861,810	10,580,142
Expenses .	5,846,462	4,183,637	5,537,009
Net earn..	3,614,837	4,678,172	5,043,133
Interest ..	929,123	849,743	505,946
Depr., etc.	803,391	3,166,907	793,018
Taxes . .	53,177	482,000	64,576
Balance ..	1,829,146	179,522	3,683,592
Pref. div. .	70,000	70,000	70,000
Balance ..	1,759,146	109,521	3,613,592
Com. div. .	500,000	250,000	1,500,000
Balance ..	1,259,146	*140,479	2,113,592
Prev. Bal..	3,548,092	3,688,571	1,574,979
P. & L. Bal.	4,807,238	3,548,092	3,688,571

* Deficit.

STOCK EXCHANGE PRICES

	Preferred		Common	
	High	Low	High	Low
1917	90	90	58½	50
1918	90¾	90	51½	48
1919	116	90¾	229½	48
1920	97½	90	87	*49½
1921	87	83	57¾	21
1922	99½	83¼	71	30
1923 to Aug.	100	99	74	57½

*Commencing 1920, new stock.

BROMPTON—Has the Most Diversified Output

Brompton Pulp and Paper Company has achieved a worth-while end during the present year in cleaning up the arrears of dividends on its preferred stock. This has suggested the possibility of an early resumption of dividends on the common shares. Certainly the common is next in line, with nothing hanging over it now, but it must not be forgotten that earnings in 1922 were only $5 a share on the common and this did not provide too substantial a margin for building up working capital. In this connection the advice of R. O. Sweezey, consulting engineer, in his report on the company's properties, made in 1922, is significant. He said: "The building up of a substantial liquid reserve should be the aim of the company during the next couple of years."

In the same report Mr. Sweezey stated his opinion that "there is no reason to doubt the company's ability to earn $1,250,000 to $1,750,000 yearly under normal conditions, which would give a handsome return on the company's capitalization."

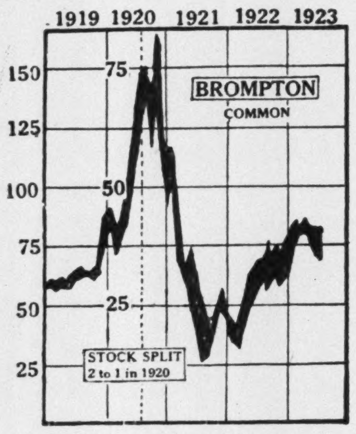
Brompton is a mill with a varied output. The saleable output under normal conditions is as follows:

Groundwood	15,000 tons
Unbleached sulphite pulp	8,000 tons
Newsprint paper	34,000 tons
Kraft and fibre paper	51,000 tons
Box board	15,000 tons
Total	123,000 tons

This diversity of product is often suggested as a factor of strength for Brompton, although pulp and paper engineers are inclined to feel that no permanent advantage accrues from such a wide number list of classes of pulp and paper.

The company's timber limits are large and excellently located. Two of the mills are in Canada and two in the United States, the American subsidiaries having been acquired at a low figure.

At Brompton, Que., about six miles from Sherbrooke, the company owns and operates a large groundwood pulp mill; and at East Angus, Que., about fifteen miles from Sherbrooke, groundwood pulp mills, kraft pulp and newsprint paper mills, box board mills and kraft mill. Its saw mills are situated, one at East Angus and one at Brompton. At Groveton, N. H., sulphite pulp and bond and kraft mills, and at Claremont, kraft paper mills are owned and operated.



Geographically, the mills of subsidiary companies are so situated as to result in economy of operation and marketing; their varied output assures constant supplies of raw materials and steadiness of earnings from the sale of finished products.

The fact that the plants for converting Canadian-made pulp into kraft, fibre and bond papers are situated in the United States close to the best market for those products gives the Brompton Company access to this market free of any import duties, present or future, on those products.

CAPITALIZATION

	Par	Outstanding
7% Pref. Claremont Co. ..	$100	$ 250,000
8% Cum. Pref.	100	2,000,000
Common	None	140,000*

*Shares

In 1920 each $100 par value share was exchanged for two shares of no par value.

Bonded Indebtedness

1st mtge. 6% bonds due 1927	$ 104,000
1st. Cons'l. mtge. 6% due 1935	811,000
Gen. mtge. 6% bonds due 1939	938,200
Gen. mtge. 8% bonds due 1941	1,750,000
Groveton Paper 1st mtge. 6's 1935	1,250,000
Groveton notes	300,000

Dividends—Preferred 8% per annum. Passed Feb. 7, 1922. All arrears paid off in 1922.

Common, $6.25 paid 1920; $2.75 in 1921 and none since.

Properties— Mills are operated at East Angus, P.Q., Brompton, P.Q., Claremont, N.H., and Groveton, N.H.

Timber Supply.—Company owns 179,392 acres of freehold timber limits and leases 810,472 acres. In addition 100,000 cords of wood is purchased yearly.

Production totals 220 tons of groundwood pulp; 110 tons of sulphate; 120 tons of newsprint; 30 tons of wrapping and 60 tons of board daily.

Profit and Loss

Account— Dec. 31st,	Year Ended 1922	Oct. 31st. 1921	1920
Net Earn.	*$1,607,212	$1,097,784	$1,853,588
Deprec. .	366,589	244,000	235,122
	$1,240,623	$853,784	$1,618,466
Bond In.	362,783	200,774	137,580
	$877,840	$653,010	$1,480,886
Claremont Pfd. Div.	17,500	....	....
	$860,340	$653,010	$1,480,886
Prefd. Div.	....	155,000	140,000
	$860,340	$498,010	$1,340,886
Com. Div.	....	385,000	665,000
	$860,340	$113,010	$675,886
Loss on Inventory	....	944,964	....
Sur. Bal.	$860,340	†$831,954	$675,886
Earned on Com.	5.00%	Def	19.15%

*Includes subsidiary companies.
†Def.

Officers—F. N. McCrea, M.P., Pres.; H. W. Stock Beauclerk, Vice-Pres.; W. N. Munroe, Treas.; J. A. Bothwell, Gen. Mgr.

Directors—Above officers and J. N. Greenshields, K.C., E. W. Tobin, M.P., E. Languedoc, K.C., C. C. Wilson, H. E. Munroe, T. McAvity Stewart, C. G. Greenshields, K.C.

Stock Exchange Prices

	Common	
....	High	Low
1916	79	43
1917	58¼	38
1918	63¼	41¾
1919	87	55
1920	170*	42¼
1921	57¼	13½
1922	40	15
1923 to Aug.	44	33⅞

*Year of stock "split"

U.S.A. DEPENDENT ON CANADIAN "NEWS"

That Country Imports 44% of Its Newsprint, Seven-Eighths Being From Canada

The tremendous increase in the consumption of newsprint paper which has taken place in the United States during the past twelve months and the large increase in the productive capacity of Canadian newsprint mills, have drawn attention to the sources of the newsprint supply upon which such heavy demands are being made.

Since 1913 the domestic production in the United States has been gradually falling further and further behind the consumption. In 1913 imports formed only 15 per cent. of the total supply, while domestic mills produced 85 per cent. of the country's requirements. In 1922 the imports amounted to 44 per cent. of the total, while domestic mills produced only 56 per cent. During this period the quantity imported rose from 219,601 tons in 1913 to 1,029,266 tons in 1922.

The following table gives the yearly imports and their percentage of the total supply available for consumption:

Year	Imports	P.C. of Total
1913	219,601	15
1914	315,475	20
1915	368,409	24
1916	468,230	27
1917	559,113	31
1918	596,270	33
1919	627,559	33
1920	729,866	33
1921	792,481	39
1922	1,029,266	44

Of the 1,029,266 tons imported, Canada supplied 87 per cent., the remaining 13 per cent. being supplied by Sweden, Germany Finland, and Norway in order of tonnage.

Cancellation of Silver Purchase Raises Ire

Time, of course, is a remarkably powerful influence; to the superficial it may even make what is appear what is not. This latter fact, says a large Gotham banker, doubtless, has inspired Under-Secretary Gilbert of the U.S. Treasury to solicit considerable publicity and prestige in the public press through his supposed championship of the public interest against what he calls "subsidies" to American miners and related interests in the form of Pittman silver purchases. The broker adds:—

> "When he insists, first, that American silver producers received a "bonus" of $62,000,000 represented by dollar Pittman silver, he is talking sheer nonsense. We are not so gullible as to believe that Mr. Gilbert does not know this, but the mere assertion of selfishness as regards miners when there have been actual sacrifices, will make the conscientious smart and that is why Mr. Gilbert's procedure at this time will not be as effective as he may think."

The cancellation of 10,000.000 ounces of silver is in ignorance of the legal conditions of the Pittman contract; if it is not, Mr. Gilbert has not presented any facts to disprove this conclusion.

It may be true that certain governments intend to "agree on silver," and Mr. Gilbert's gestures may be related, but there is no sane and approvable reason why the pubilc should be subjected to untruthful presentations of what are actual truths.

CALCIUM CARBIDE EXPORT

Ottawa.—An important increase in Canadian exports of calcium carbide is recorded by the Dominion Bureau of Statistics. For the month of March the total exports were 59,944 cwts., with a value of $250,583, as against 43,707 cwts. in March a year ago. The United States was the largest customer for this product during the past month, taking 38,062 cwt. Cuba took 7,433 cwt. and Mexico 6,841 cwt.

EIGHT HIGH-GRADE
PULP and PAPER SECURITIES

Issued by leading companies in the industry, are analyzed and described from the latest available data in the Second Edition (revised to date) of the Greenshields catalogue.

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All Grades of PAPER
PAPER BAGS
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WASHBOARDS
Etc.

HULL, CANADA

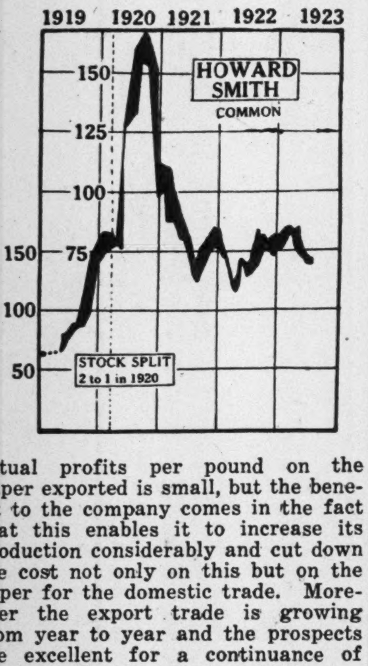
HOWARD SMITH—Near Completion of Expansion

Howard Smith Paper Mills is now completing the program of expansion that has been under way for over a year and is getting closer to the stage where it will be an even more complete, well-rounded unit in the business of making high grade paper. It is now a self-contained organization from the cutting of the tree to the selling of the finished product in Canada or abroad; in fact the company is dependent upon outside sources of supply or aid only in the transportation of its pulpwood up the St. Lawrence river from its limits and in the purchase of sulphur, soda pulp, and so on.

During the last year the company has completed a saw mill and rossing mill at its limits in Gaspe. There the company not only cuts its logs to the proper length for pulpwood but manufactures a considerable amount of timber and shingles besides. Its limits contain a good deal of pine in addition to spruce. It is not considered economical to cut only the pulpwood from timber limits but the company, by utilizing all the timber it owns, reduces the cost of its pulpwood supplies considerably. The shingles are marketed in Boston and the lumber cut is used largely for making packing cases for shipping the company's timber from its plant. Extensive addition has been made at the Cornwall plant as well. Machine shop has been constructed and enlargements have been made to the finishing room to permit of the extending of two of the machines at a later date. A new wharf has been built for unloading pulpwood and in addition a conveying system for bringing the pulpwood from the wharf to the mill has also been erected. Improvements have been made to the filtration plant where all the water used in the manufacture of the paper is carefully and thoroughly filtered. The production of the groundwood mill at Crabtree has been increased to 30 tons per day approximately.

Upon completion of all these activities Howard Smith will be in a position to produce the higher grades of paper at lower cost and consequently with higher new earnings for the stock.

The company manufactures all grades of book paper, ledger paper, writing paper, rotogravure paper, etc. No newsprint is manufactured. About 10 per cent. of the company's products are exported to foreign countries, chiefly to Mexico, Australia, New Zealand, India, Japan, China and the British West Indies. The actual profits per pound on the paper exported is small, but the benefit to the company comes in the fact that this enables it to increase its production considerably and cut down the cost not only on this but on the paper for the domestic trade. Moreover the export trade is growing from year to year and the prospects are excellent for a continuance of this growth.



The outlook for the company is such as to give cause for encouragement.

CAPITALIZATION

	Par	Outstanding
8% Cum. Pref.	$100	$1,500,000
Common	100	3,693,700

After 8% has been paid on common preferred participates equally up to 10%.

Bonded Indebtedness

1st mtge. bonds 6% due 1934	$ 489,600
1st mtge. bonds 7% due 1941	2,576,200
1st mtge. bonds, Toronto Paper 6's, 1942	230,200

Dividends—Preferred 8% per annum payable 20th of January, April, July and October.

Common—Now on 6% basis having been reduced from 8% in 1922.

Properties—Own the Toronto Paper Co. Also have two plants outside of Montreal and one at Cornwall. These are all paper plants and a sawmill is owned at the Gaspe timber limits.

Production—This company is one of the largest manufacturers of high-grade paper in Canada. Daily output is 30 tons of groundwood, 60 tons of sulphite pulp; 60 tons of writing; 15 tons of book paper; 15 tons of blotting and 5 tons of covers.

Profit and Loss Account—	Year Ending Dec. 31st 1922	1921	1920
Net Rev. .	*$693,540	$613,313	$1,089,899
Bond In. .	197.941	141,681	78,000
Net Profits	$495,599	$471,631	$1,011,899
Pref. div.	120,000	120,000	120,000
Com. div. .	220,720	279,932	220,800
	$154,879	$71,699	$671,099

*Before reduction of reserve funds. P. & L. Balance 31st Dec., 1922 was $16,066.

Officers—C. Howard Smith, Pres.; Jas. W. Pyke and J. Alex. Cameron, Vice-Pres.; T. P. Howard, Comptroller; H. Crabtree, Secy.; M. G. Peterkin, Treasurer.

Directors—C. Howard Smith, J. W. Pyke, J. Alex. Cameron, J. J. M. Pangman, D. W. Campbell. W. D. Robb, Howard Murray, E. R. Decary, T. P. Howard.

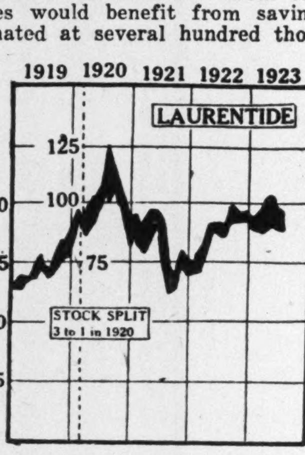
Stock Exchange Prices

	Pref. High	Pref. Low	Common High	Common Low
1920	110	92	167	74¾
1921	92	64	110	60
1922	102	85	85	60
1923 to Aug. ..	108	94	99⅞	82

LAURENTIDE—Investors View it With Favor

Probably the chief market interest in Laurentide Company during the past year has been the strong renewal of discussions of a merger of the companies in the St. Maurice Valley. This discussion sifted down to the possibilities of merging the St. Maurice Paper Company with the Laurentide. This might have been worked out on the basis of purchase by Laurentide of the other company and Laurentide could have financed the deal by selling its interest in the stock of the Laurentide Power Company. The deal had few financial stumbling-blocks in the way, for neither company has any bonds or preferred stock outstanding that would have to be retired or cared for in an expensive way.

The deal seems no nearer completion now than for a long time past and it seems to be inability to come to terms that is holding it up. Here are two wealthy corporations, each in such a strong position, that finding a basis for discussion is rather difficult. Laurentide would stand to benefit greatly from such a merger, for it would improve its supplies of pulpwood. These are already large and important but the company has been in operation for many years and its supplies of pulpwood are getting further and further away from the mill, a situation that is being arighted to some degree by an aggressive policy of re-forestation. Both companies would benefit from savings, estimated at several hundred thousand dollars a year in sorting of logs, in purchasing, in woods operations, etc.



Laurentide has created at Grand Mere, Quebec, a town that is among the prettiest in Canada and reflects the broad attitude the management of the company take towards its functions. Labor problems never enter the company's operations. The mills are large and modern in every respect and the fastest running newsprint machines in the world are located there. Production is holding up well and the new machines installed out of and financed out of earnings a short time ago are getting into their real capacity.

Laurentide has carried on its dividend right through the worst periods of depression in the paper industry and this, coupled with the vigor and strength that has been built into the company over the term of its operating life to date. has won for it the confidence of investors.

CAPITALIZATION

	Par Value	Outstanding
Capital stock	$100	$28,800,000

Only class of stock.

No bonded indebtedness.

In 1920 shareholders received three shares of new stock for each one share of old stock.

Dividends—6% per annum, payable Jan., April, July and October.

Timber Supply—Company owns 41,274 acres of timber lands; and holds under license 2,057,600. In addition 20,000 cords are purchased yearly.

Properties—Include a modern mill at Grand Mere, P.Q., a town created by and dependent to a large extent upon this industry. Power is purchased from the Laurentide Power Co., a subsidiary, which is independently financed.

Production—Groundwood pulp, 350 tons; sulphite, 150 tons; pulpboards, 50 tons, and newsprint, 375 tons daily. Excess pulp over own requirements, 20 tons of groundwood daily.

Profit and Loss Account

	Year Ending June 30th 1922	1921
Net earnings .. .	$2,693,154	$6,724,032
Interest, etc.	440,631	885,260
Reserves, etc. . .	458,461	1,322,843
	$1,794,061	$4,515,929
Dividends	1,728,000	1,728,000
Res. for inventory	....	$2,000,000
Balance	66,061	787,929

Officers—Geo. Chahoon, Jr., President and General Manager; Chas. R. Hosmer, Vice-president; Louis Armstrong, Treasurer; Wm. F. Robinson, Secretary.

Directors—Geo. Chahoon, Jr., Chas. R. Hosmer, Rich. B. Angus, Sir Thos. Skinner, Bart., Ed. Hanson, F. A. Sabbaton, Com. J. K. L. Ross, Geo. H. Montgomery, K.C., Sir Lomer Gouin, K.C. M.G.

Stock Market Record

Year	High	Low
1917	195	152
1918	198	152
1919	245	192
1920	125*	81
1921	95	62
1922	99	73
1923 (to August) ...	103½	89¾

*New stock.

MACLEOD PULP AND PAPER COMPANY, LIMITED
Liverpool, Nova Scotia, Canada

Manufacturers of finest quality all spruce

GROUNDWOOD PULP

Only groundwood mills located on both railroad and tide-water with open harbor the year round.

Largest Water Power in Nova Scotia, 30,000 horse power.

Largest supply of pulpwood, based on capacity of any pulp or paper mill in the world.

Land holdings all owned in fee and run 95 per cent. spruce.

Charles Walmsley & Co., (Canada) Limited
PULP AND PAPER MILL ENGINEERS

OFFICE
Drummond Bld'g.,
MONTREAL

Manufacturers of
HIGH SPEED PAPER MACHINES
WARREN MAGAZINE GRINDERS
TREMOR SCREENS
ROLL GRINDERS
GWYNNE'S CENTRIFUGAL PUMPS

WORKS
Longueuil, Que.
CANADA

North American Branch of
Sir W. G. Armstrong, Whitworth & Co., Ltd., London, Eng.
& Charles Walmsley & Co., Ltd., Bury, England

PROVINCIAL—Adds New Machines at the Port

The past year has been marked by the bringing into operation of the new mill of the Provincial Paper Mills at Port Arthur. One machine has been installed and it is turning out 30 to 35 tons daily. It is the intention of the company to add another machine as soon as the condition of the markets warrant it.

The Provincial is one of the largest producers of high-class papers, and has operated fairly well up to capacity during the past year. Of late, business has shown signs of improvement. The company has had more enquiries leading to new business than for some time.

CAPITALIZATION

	Par	Outstanding
7% Cum. pref.	$100	$1,700,000
Common	100	3,500,000

Bonded Indebtedness

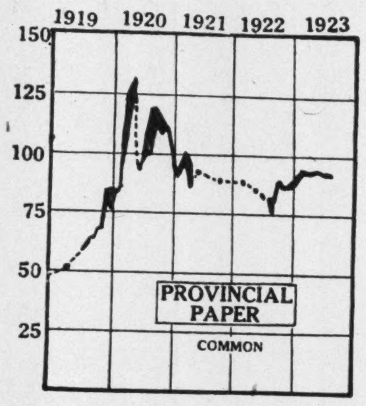
1st mtge. 6% bonds due 1940 $1,500,000

Dividends—Preferred, 7% per annum, pay. 1st Jan., April, July and Oct. Common, 6% per annum, pay. same dates as preferred. 2% bonus paid for year 1920, and 1% bonus for year 1921 and 1922.

Timber Supply—Company controls by lease 1,224 square miles of timber limits on the north shore of Lake Superior.

Properties—Include mills at Mille Roche, Thorold, Georgetown and Port Arthur, Ont. The additional mill at Port Arthur was completed during the past year to house two paper machines, of which one 146 inch machine was brought into operation this year.

Production—In combined output the Provincial Paper Mills Limited is the largest manufacturer and distributor in Canada of book, bond, writing and coated papers covering a widely diversified range and used in the manufacture of books, magazines, catalogues, trade journals, newspaper supplements and stationery. The plants, including the new Port Arthur mill, have an aggregate output of about 100 tons of varied papers, 60 tons of sulphite and 15 to 20 tons of ground wood per day.



Officers—I. H. Weldon, president; T. A. Weldon, vice-president; S. F. Duncan, secretary-treasurer.

Directors—Above officers and Alex. Fasken, S. B. Monroe, A. B. Connable, C. A. Peck, C. S. Campbell, Sir Chas. Gordon, K.C.B.E.

Profit and Loss Account

—Year Ending December 31—

	1922	1921	1920
Net profit .	$763,960	$761,395	$1,248,140
Bond int. .	55,787	33,550	28,237
Deprec. res.	150,000	150,000	200,000
Income tax.	70,000	60,000	......
Bad debts .	......	......	10,000
	$488,173	$517,845	$1,009,903
Pref. div. .	119,000	119,000	119,000
Com. div. .	245,000	245,000	257,500
Balance . .	$124,173	$153,844	$ 633,403

P. and L. surplus, 31st Dec., 1922, was $833,468.

Stock Market Record

	— Pfd. — High	Low	— Com. — High	Low
1916	—	—	57	56
1917	81	78	—	—
1918	83	78	49	42½
1919	91½	85	85	51
1920	88	87	132	80
1921	87¾	82	102	87¾
1922	95	80	88½	80
1923 to date				

WHAT THE PULP AND PAPER INDUSTRY BUYS EACH YEAR

Canada's pulp and paper industry comprises a gigantic market for many products. The extent of the industry's purchasing power is indicated that in the past ten years $350,000,000 has been invested in plant and equipment. This has gone into machinery, bricks, steel, cement, hydraulic and electrical equipment and a thousand and one other things. To turn out $200,000,000 and more of products annually other extensive purchases of supplies are necessary. Labor, wood and power are the big annual factors of expense. Nevertheless, in 1921, an off year, the industry bought $6,000,000 of chemicals and dyes, $750,000 of rags, $1,500,000 of old paper; $1,500,000 of straw and other paper stock; $12,000,000 of coal and a large amount of miscellaneous materials.

The industry has 674 grinding machines; 42 digesters; 110 Fourdrinier paper machines; more than 500 boilers; 300 steam engines; 6,600 electric motors; 200 generators and dynamos; 360 hydraulic turbines and water wheels, and numerous expensive lathes, tools, machine shop equipment, conveying systems, light railway equipment, saws and saw mill machinery, motor trucks, etc., etc. There is more than $110,000,000 of machinery, a figure that is constantly growing. More than $5,000,000 is spent yearly on repairs to this machinery.

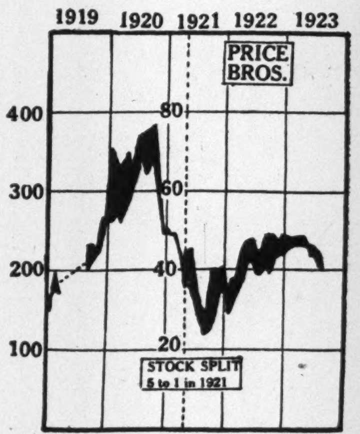
PRICE BROTHERS—Plans the Largest Output

It has long been felt that Price Brothers would never reap the full benefit of its huge timber limits and earn substantial amounts on its large capitalization of $42,683,200 until its newsprint capacity was greatly increased. The company has been producing only 300 tons per day of newsprint, which was small for such a large capitalization even after allowing a large part of the capital stock as applicable to the company's well developed lumber business. For that reason the announcement of plans to increase the company's daily newsprint output to 500 tons a day by the addition of two new machines at the Kenogami mill was gratifying to the investors in Price Brothers' stock. New financing to the end of arranging this additinoal output was undertaken during the past year. Eventually another newsprint mill will be built at Chicoutimi with a capacity of 400 tons per day, bringing Price Brothers total capacity to 900 tons per day, a larger amount than is at present produced by any Canadian company.

Price Brothers Company is one of the largest manufacturers of newsprint paper and groundwood pulp in Canada. It owns and controls, in its own right or through its subsidiary, valuable leases of pulpwood timber limits which, together with timber limits owned in fee, aggregating about 200 square miles, total about 8,700 square miles, located for the most part on watersheds tributary to its principal plants on the Saguenay and St. Lawrence Rivers.

The present company with its subsidiary is the outgrowth of a business begun in 1817 and since that time continuously controlled and operated by the Price family, and in addition to newsprint and groundwood pulp it is a large producer of cardboard and paper specialties, sulphite pulp (news grade), lumber, shingles, laths and railroad cross ties.

The properties of the company and its subsidiary include two paper mills, a groundwood pulp mill, nine saw mills, and water power developments with an aggregate installed capacity of about 55,250 h.p. The company's timber holdings were reliably estimated to contain on November 1, 1920, pulpwood sufficient to produce 31,000,000 tons of newsprint paper, or a supply for the operation of the company's mills, (at the present proposed capacity) of 500 tons daily for a period of 120 years, making no allowance for the benefits of reforestation. Taking into account the benefits of reforestation, the supply of raw material for the company is estimated to be practically inexhaustable.



This year's annual report indicated that the company was in an improved position. A large stock of lumber on hand has been disposed of. The president, Sir William Price, also referred to the fact that the company owned a 25 per cent. interest in the Quebec Development Corporation which is developing hydro-electric power at the Grand Descharge of Lake St. John. Price Brothers should benefit materially from its interest in this project.

CAPITALIZATION

	Par Value	Outstanding
Capital stock	$100	$42,683,200

Shareholders in old company received five shares of stock in new company for each share of old stock in 1920.

Bonded Indebtedness

1st mtge. 6% bonds, due 1943 $10,000,000

Dividend Record—Company is now paying 2% yearly.

Properties

Pulpwood Supply—The company's timber limits are the finest in Canada and aggregate 8,700 square miles.

Mills—At Kenogami for newsprint; at Jonquiere for cardboard and specialties and at Rimouski for groundwood. There are nine sawmills.

Production — Newsprint, 300 tons daily; woodboard, 25 tons; sulphite, 110 tons, and groundwood pulp 335 tons daily. Excess pulp production over own requirements, 40 tons of sulphite and 35 tons groundwood daily.

Officers—Sir William Price, President; George H. Thompson, J. M. McCarthy, Vice-presidents; J. Leonard Apedaile, Managing Director; H. E. Price, Secretary-treasurer.

Directors—Above officers and Sir Ion H. Benn, Bt., C.B., M.P.; W. S. Hofstra, A. J. Price, Chas. A. Pentland, K.C., Sir Herb. S. Holt, J. A. Scott, Sir Keith W. Price.

Profit and Loss Year Ending Feb. 28th

	1922	1923
Profit	$1,327,382	$2,338,939
Bond int.	419,976	419,976
Note int.	2,000	......
Depreciation	......	700,095
Net profit	$ 905,976	$1,218,862
Dividends	1,067,976	853,664
Surplus..	$ 162,620*	$ 365,198
Prev. surp.	651,992	341,346
P. & L. Balance ..	$ 489,372	$ 706,544

*Deficit.

Stock Market Record

Old Company	High	Low
1917	134	115
1918	151	120
1919	260	155
1920	385	250
New Company		
1921	42¼	24¾
1922	47¾	33
1923 (to Aug.)	47	40½

CANADIAN PAPER BOARD—Improving Plants

Having the benefit of funds received from the sale of $800,000 of first mortgage bonds, the Canadian Paperboard Company has been making some additions and improvements to its three plants at Frankford, Montreal and Campbellford. Included in the program is the development of water power rights held by the company on the Lachine Canal in Montreal and on the trent River at Campbellford and Frankford.

The company is the largest manufacturer of paperboard in Canada. The company has been established for many years but has developed most rapidly during the past few years, the almost universal adoption of paperboard for cartons and containers and the spreading popularity of "package goods" giving great impetus to the company's business. Raw material consists chiefly of waste paper, which is abundantly available.

CAPITALIZATION

	Outstanding
Common stock	$2,100,500

Bonded Indebtedness

7% 1st mtge bonds $800,000

Timber Supply.—8,000 cords purchased yearly.

Properties consist of plants at Monreal, P.Q., Frankford and Campbellford and power development at all three plants now under way.

Production consists of 30,000 tons annually of paperboard of all grades and varieties, also 10,000 tons yearly of groundwood pulp.

Directors.—J. G. G. Keny, Toronto, president; J. R. Walker, Montreal, vice-president; J. A. O'Brien, Ottawa; Hon. E. D. Smith, Minona, and David F. Robertson, general manager, Montreal.

Earnings are described in the circular offering the bond issue as follows: Average annual earnings available for bond interest for approximately six years, ending January 31, 1923, $151,173.40; bond interest requirements $56,000.

Having the benefit of the financing, through the sale of the first half of this issue, and also the improvement in business conditions the company is now operating at a profit of over $15,000 per month, or on the basis of about $200,000 per annum against bond interest requirements of only $56,000.

ONE MILL SUPPLIES MANY NEWSPAPERS

Belgo Company Sells Three Montreal and Many United States Publications

Some Canadian newsprint mills sell their entire output to one or two newspapers. Others scatter their product all over the continent. Here for instance is a list of some of the newspapers that are being printed this year on paper from one Canadian mill—the Belgo-Canadian Paper Company's plant at Shawinigan Falls:

Canadian Newspapers	
The Star	Montreal
La Presse	Montreal
Le Canada	Montreal
American Newspapers	
The News	Cleveland
The Dispatch	Columbus
The Journal	Columbus
The News	Detroit
The Times	Akron
Butterick Fashions	New York
The Times	Rochester
The Journal	Jamestown, N.Y.
The Herald	Denison, Texas
The Herald	Miami, Florida
The Journal	Knoxville, Tenn.
Items	Richmond, Ind.
The Leader	Pittsburg
The Record	Erie, Pa.
The Mail	Galesburg, Ill.
The Journal	Chicago
The News	Mansfield, Ohio

THE LAURENTIDE CO., Limited
Grand Mere, P.Q., Canada

Manufacturers of
GROUND WOOD PULP
SULPHITE
WOOD BOARDS
NEWSPRINT

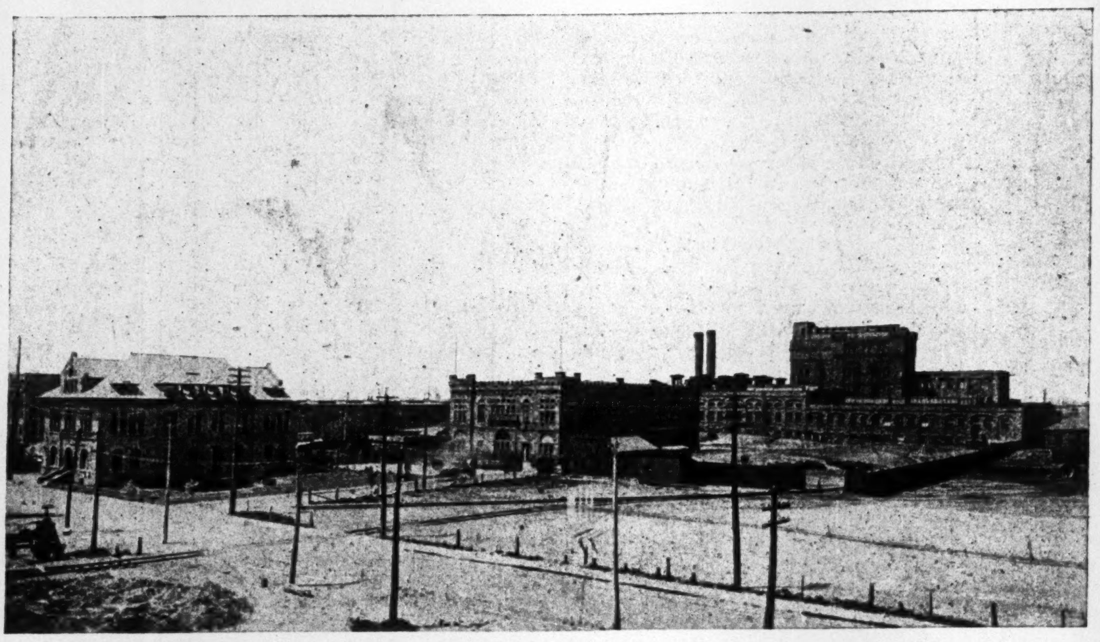
AFFILIATED WITH
CANADIAN EXPORT PAPER COMPANY
Canada Cement Bldg. - Montreal, Quebec

The Safe Anchorage For Publishers

Sulphite Groundwood & Board
DAILY TONS

Newsprint
DAILY TONS

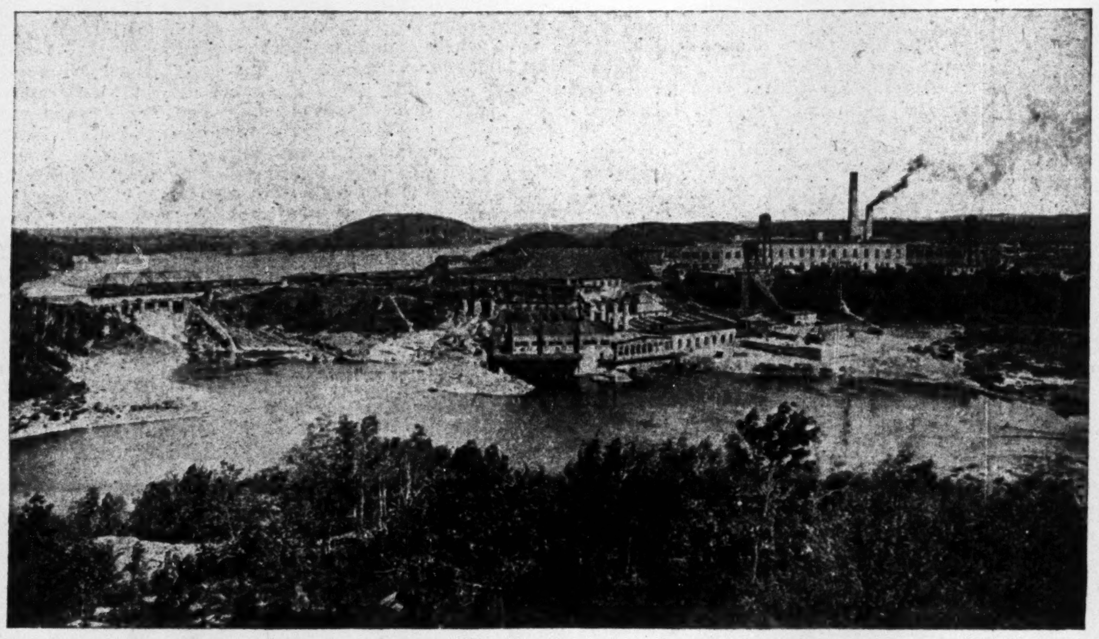
485



SAULT STE. MARIE

250

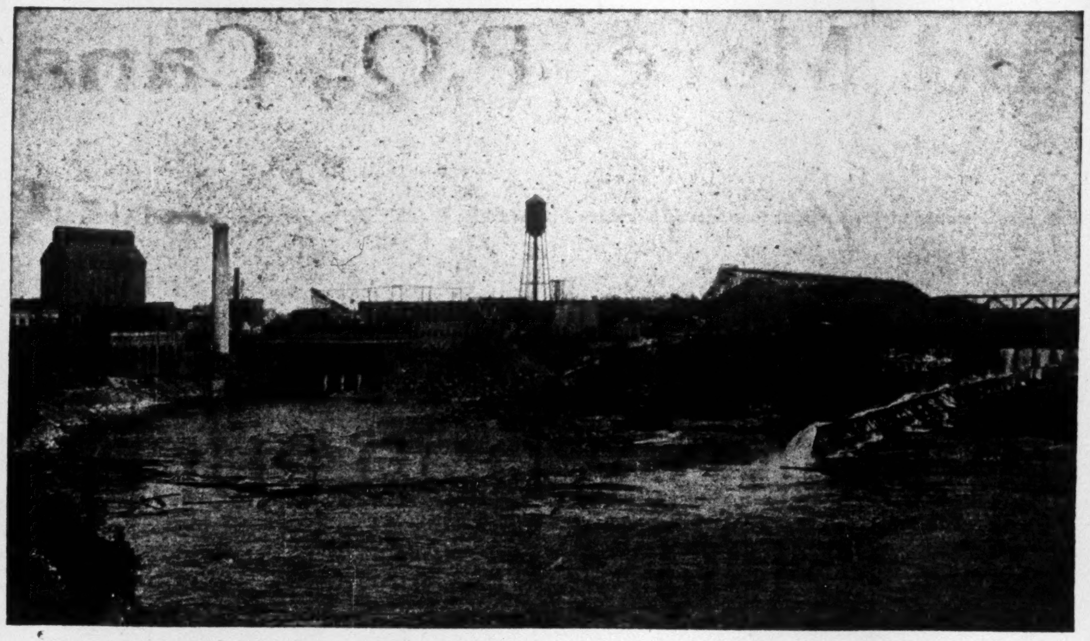
260



ESPANOLA

320

230



STURGEON FALLS

130

**Total 975, or
302,250 Annually**

**Total 700, or
217,000 Annually**

The Spanish River Pulp & Paper Mills, Limited

SAULT STE. MARIE, CANADA

Enough Pulpwood in Canada to Last Mills Many Years

The Only Need is Greater Public Interest in Question of Insuring Supplies for Future Near Present Manufacturing Centres

From Our Own Correspondent.

OF THE utmost importance to Canada, in insuring the permanence of the pulp and paper industry, are the forestry resources of this far-spreading nation. An industry based upon natural resources, as is the business of manufacturing pulp and the paper made from the pulp, must naturally concern itself with the permanence of its raw material supply. That is one of the biggest problems facing the United States manufacturers to-day; the fact that the timber resources of that country have been so recklessly and wantonly cut, with an eye only for the needs of the moment, that a shortage of alarming proportions in raw materials, in the shape of standing and growing forests, faces the manufacturers of that country to-day.

Starting Now to Conserve

Canada in the past has been somewhat careless in the same way; but the forestry resources of the country are yet so large and important that the danger of a shortage of raw material does not exist. The awakened public interest in the problem of combatting forest fires, of the conservation, for use in Canada, of our pulpwood supplies and of the re-forestation of areas cut down, is almost certain to insure that for every tree that is consumed by fire or factory, another tree will grow to take its place.

For an estimate of the forestry resources of Canada, one can rely upon the statistical records of such men as Professor C. D. Howe, dean of the faculty of forestry of Toronto University. By a process of elimination of prairie lands, subarctic and subalpine regions and of forest lands destroyed by forest fires, Prof. Howe arrives at 450,000 square miles as the area in Canada to-day yielding commercial timber; that is saw logs and pulpwood; this out of Canada's total area of 3,600,000 square miles. The saw log producing forests are approximately equally distributed between the East (Ontario, Quebec and the Maritime Provinces) and the West, (British Columbia and Alberta) while the pulpwood producing forests are continuous from coast to coast, extending northward from the saw log forests.

No More Accurate Estimates

The estimate of the forest resources of Canada are based on reconnaisance surveys, which are not so accurate and reliable as actual estimates, in the technical meaning of the term. Some of the provinces are gathering accurate material regarding the forestry reserves within their borders. These will supplement the existing estimates, but for the present a recent estimate by the Dominion Forestry Branch of the timber resources of Canada may be accepted as the best available data on the subject. Discarding the figures of saw logs we find that there are in Canada approximately 1,300,000,000 cords of pulpwood, of which a little less than half is located in the Eastern provinces. The prairies have some 400,000,000 cords and British Columbia has 270,000,000 cords.

Detailed figures are as follows:

	Spruce Balsam W. Hemlock Cords	Jack Pine E. Hemlock Poplar Cords
Quebec	200,000,000	100,000,000
Ontario . . .	185,000,000	65,000,000
New Brunswick	21,000,000	5,000,000
Nova Scotia ..	25,000,000	6,000,000
Alberta . . .	63,000,000	129,000,000
Saskatchewan .	31,000,000	117,000,000
Manitoba . . .	26,000,000	54,000,000
B. Columbia .	250,000,000	20,000,000
Total	801,000,000	496,000,000

Totals

	Cords
Quebec	300,000,000
Ontario	250,000,000
New Brunswick	26,000,000
Nova Scotia	31,000,000
Eastern Canada	607,000,000
Alberta	192,000,000
Saskatchewan	148,000,000
Manitoba	80,000,000
Prairies	420,000,000
British Columbia	270,000,000
Total	1,297,000,000

But Dr. Howe has also made the statement that the next generation will see the centre of the spruce pulpwood industry on Hudson Bay waters instead of on St. Lawrence waters.

A recent study of the pulpwood situation in Eastern Canada, conducted by Mr. Clyde Leavitt, Dominion Forester, for the Commission on Conservation of Natural Resources, gives a total estimate of actually available spruce and balsam, not including the less valuable jack pine and hemlock. and after making deductions for wood withheld from cutting by provincial regulations and for waste and loss in logging and driving, as well as for defective balsam, in Quebec, New Brunswick. Ontario and Nova Scotia, as, roughly speaking, 306,000,000 cords, with a possible addition of 38,000,000 cords in the case of Ontario, taking for granted the early extension of the Temiskaming and Northern Ontario Railway from Cochrane to James Bay. These figures are distributed as follows:—

Provinces—	Cords
Quebec	155,000,000
New Brunswick	26,000,000
Ontario	100,000,000
Nova Scotia	25,000,000
Total	306,000,000

Provision for artificial re-forestation are being developed on a large scale in Ontario and Quebec. For twenty years both provinces have furnished planting material at cost of transportation to farmers wishing to plant waste areas. In this way a small amount of land is reforested each year. Ontario has recently undertaken to reforest 10,000 acres of waste land each year for sixty years. Some of the private companies in the pulp and paper industry carry out forest planting, one of them at the rate of 500 acres a year.

American Forests Going

Canada's forestry resources are of particular importance because of the depletion of forests in the United States. On the other side of the line trees are being cut four times as fast as they are being grown. As Hugh P. Baker recently said:

"Through the first 125 years of our life as a nation, wood was so abundant and so cheap that carelessness and waste in the use of the forest became ingrained in our people. Trees were wasted as they were cut in the woods, logs were wasted at the mill and lumber was wasted as it was used in building and for furniture. Much of the waste in the use of our forests up to 1900 or even 1920 was in a sense unpreventable economically, because timber and wood generally were too cheap to allow of complete utilization.

"Much of the same wastefulness has occurred in the use of our soil and our mines down through the years, and less is said of this wastefulness because it is less evident than waste in the forest. It hasn't been easy to overcome this idea of waste in the use of the forest and other natural resources. It took 250 years to educate our people to waste, and we are not going to overcome that idea without years of aggressive educational activity.

"The contact of our fathers with the forests made them sturdy pioneers, independent in both thought and action. In fact these forests developed a people ready to fight for independence from the old country, a people of such physical and mental worth that it was easy as we entered the Great War to build an army from their sons and grandsons the like of which has never been seen.

"As we worked westward as a nation we found tremendous forests of virgin pine in the South, and sawmills have been busy there for years. To-day we can see clearly that within a dozen years, or less if the present rate of cutting is maintained, a stand of virgin Southern pine forest will be a rarity. Then came the movement to the Pacific Coast, and the marvelous forests there are still a reservoir of wood for the industries and for construction purposes for this country, if not for the entire world.

Facing Lean Years

"So we have been blessed with the greatest and most valuable forest that any nation has had for its development and growth. It would be out of place to quote statistics as to the forests which originally covered whole states in a solid belt of timber.

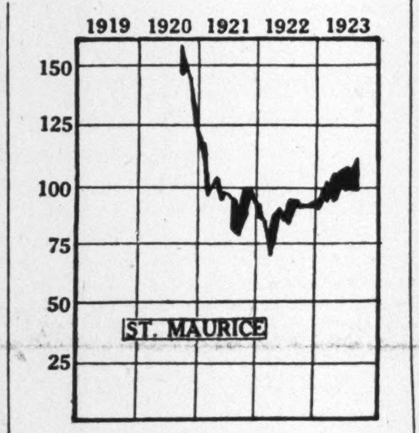
"It should interest us vitally to know, however, that 70 per cent. of the original stand of virgin timber has been cut, and this tremendous use has taken place almost entirely within the last hundred years. In the rapid cutting which is now taking place, we are using annually more than four times the timber which is being produced by growth in this country.

Demands Workable Policy

"We are facing, indeed, a period of lean years that should cause every man concerned with the business success of this country, and with the hope for a country that will be a good place for his children and his children's children to live, to rise up and demand that the government adopt a practical and workable forest policy, that the states co-operate with the government and that something be done at once to preserve the remaining virgin forests and to renew forests over the idle lands of the country."

It seems a widely held opinion that the pulp and paper industry in Canada is assured of ample reserves of raw material but that the supplies near present manufacturing centres are being depleted so rapidly as to cause some concern. The hope of the industry lies in an awakened public interest. This, it is apparent, is rapidly developing.

ST. MAURICE—Makes Kraft as Well as Newsprint



St. Maurice Paper has attracted a great deal of attention during the past year in a stock market way, largely due to discussions of a fusion of interests between this organization and the Laurentide that might might have taken the shape of a direct purchase of St. Maurice by Laurentide. St. Maurice is controlled by one of the big three in the United States paper industry, the Union Bag and Paper Company, and because of its exceptionally large and well located timber limits is a very valuable asset for that company. This is a stumbling block in the way of such a merger.

St. Maurice has a daily newsprint production of 115 tons, but it ships also a good deal of pulp. Its sulphate or kraft pulp is sold to its parent company for manufacture into bags.

The stock has not ordinarily been widely traded in but has given an excellent account of itself from an investment standpoint.

CAPITALIZATION

	Par	Outstanding
Capital Stock	$100	$7,899,900

No bonded indebtedness.

Dividend record—5% per annum pay end of Feb., May, Aug. and Nov. Increased from 5% to 8%, Aug., 1920. Stock dividend of 30% paid 5th April, 1920, and 5% cash bonus, 28th May, 1920. Reduced March, 1922, to 5% basis.

Pulpwood Supply — The company's timber limits are among the strongest. A total of 1,253,930 acres are held under license.

Properties include from saw mills throughout Quebec and pulp and paper mill at Cap Magdeline, Three Rivers.

Production includes up to 20,000,000 board feet of lumber yearly; and 115 tons of newsprint paper; 60 tons of sulphite, 192 tons of groundwood, and 65 tons of sulphate daily.

Officers—M. B. Wallace, President, C. R. McMillen, E. B. Murray, Vice-Presidents, H. F. Smith, Secretary, J. P. MacLaurin, Assistant Secretary, G. S. Rorke, Treasurer, J. Wohnseidler, Assistant Treasurer, T. A. Wark, General Superintendent.

Directors—M. B. Wallace, C. R. McMillen, E. B. Murray, T. M. Day, R. M. Smith.

Profit and Loss

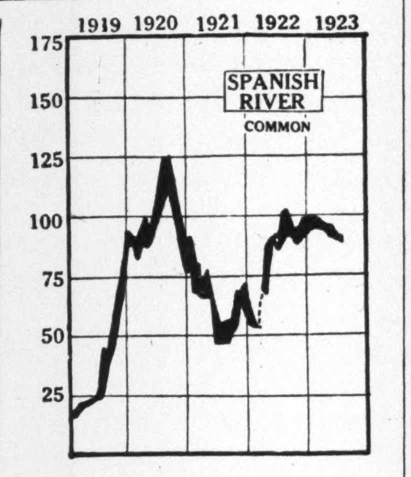
	1922	1921
Profits	$696,594	$1,046,679
Depreciation	251,518	339,950
Net profit	$445,075	$ 706,729
Written off wood ..	......	703,240
Avail. for divs.....	445,075	3,488
Dividends paid ...	394,995	631,922
Year's surplus ...	$ 50,080	$ 628,504*
Previous balance ..	617,947	1,246,451
Surplus forward ..	$668,027	$ 617,947

*Def.

Stock Market Record

	High	Low
1920	158	124
1921	120	80
1922	93½	70
1923 to Sept. 1	114	90

SPANISH RIVER—Present Leader in Newsprint



The annual report for Spanish River Pulp and Paper Co. is now in the course of preparation, which fact made it rather difficult to get officials to say much about the past year's operations. However, it was stated that the three large plants have been going at capacity all year as the company has had no trouble whatever in finding a ready market for its product as fast as it could turn it out. This fact would seem to substantiate reports that have been circulated to the effect that the year has been a good one for Spanish River. One report is that the company earned 10 or 11 per cent. on the common and that the working capital now stands around $7,000,000. An official was asked if he would confirm or deny this, but he said he would not discuss it one way or another because of the approaching report.

The Spanish River is the largest shipper of newsprint in the Dominion, the output of its three plants at The Soo, Espanola and Sturgeon Falls falling just a little under 700 tons of newsprint daily. At The Soo plant there is also a board mill, and, of course, the company also sells quite a quantity of hanging for wall paper manufacturers. The Spanish River markets most of its product in the middle states. Officials of the company are close students of the industry. The consider their product a stable, to a certain point, the fluctuations in the sale being governed practically by the volume of advertising that is being done. For this reason Spanish River officials are close students of advertising and the trend of the advertising business.

CAPITALIZATION

	Par	Outstanding
7% cum. pref. * ..	$100	$8,619,500
Common stock	100	8,995,500

* Preferred participates equally with common after payment of 7% on latter.

Bonded Indebtedness

1st mtge. bonds 6% due 1931	$8,223,946
Mtge. lien notes 6% due to 1929	2,309,500
Gen. mtge. bonds 8% due 1941	2,500,000

Dividend Record

Preferred—7% per annum payable 15 January, April, July and October. On July 15, 1920, arrears of 42% were paid up by issue of preferred stock.

Common—First payment made Oct. 15, 1920. Since on basis of 7% per annum payable same dates as preferred.

Properties

Pulpwood Supply—The company controls about 17,000 square miles of timber lands.

Mills—Are located at Espanola, Sault Ste. Marie and Sturgeon Falls, Ontario.

Production at three mills totals 665 tons of groundwood pulp, 290 tons of sulphite pulp and 35 tons of wood pulpboard and 680 tons of newsprint. Excess sulphite pulp production above own requirements is 150 tons daily.

Officers—George H. Mead, president; P. B. Wilson, T. Gibson, vice-presidents; J. G. Gibson, secretary; A. H. Chitty, treasurer; C. H. L. Jones, general manager of manufacturing; G. R. Gray, general manager of woods.

Directors—Geo. H. Mead, P. B. Wilson, Thos. Gibson, C. E. Read, T. Watson Sime, G. R. Gray, T. H. Watson.

Profit and Loss Account

	— Year Ending June 20 — 1922 $	1921 $	1920 $
Net earn..	3,361,537	4,836,001	3,915,051
Depreciation	475,975	628,480	594,620
Int. on debts etc. . . .	950,645	744,371	768,362
Govt. taxes and contingencies	150,000	500,000	350,000
	$1,784,917	2,963,150	2,202,069
Pref. div. .	603,365	603,365	......
Com. div. .	629,685	629,685	......
Proportion of divi. paid to bondhold's	137,005	137,005	......
Sink. fund	317,766	304,097	638,000
	$97,096	1,288,998	1,564,069

Stock Exchange Prices

	Preferred High	Preferred Low	Common High	Common Low
1916	70	29	25	3½
1917	59¼	49½	19	13
1918	65	50	20	12¾
1919	131	63½	90½	17
1920	149½	82	125¼	75
1921	95	51⅞	89½	44
1922	112¼	67	103½	53½

NEW BRUNSWICK'S HEAVY FIRE LOSS HURTS COMPANIES

Thousands of Acres of Wood Destroyed During Past Year

PULPWOOD EMBARGO

Angus Maclean is Opposed to It—Some Comments on the Industry in the Maritimes

From Our Own Correspondent.

ST. JOHN.—There is no doubt that the proposed pulpwood embargo, authorization for which was granted in the last session of the House of Commons, will be of material benefit to the pulp and paper industry in the maritime provinces. There will be a tendency to lower prices for pulpwood, and the settlers who in the past have shipped virtually all of their pulpwood to the American market, will be forced to accept what the Canadian market offers. This in effect will act as a price stabilizer, and will prevent price ascensions in the future. There will be no competitive bidding for pulpwood between representatives of the American and Canadian markets.

Besides acting as a price stabilizer, the proposed embargo on the exportation of Canadian pulpwood, will have a tendency to stiffen the prices of mechanical pulp and groundwood as well as the finished newsprint. That is the prediction offered by advocates of the embargo.

Some Difference of Opinion

It must not be understood that pulp and paper men in the maritime provinces are a unit in the advocacy of the embargo. Frank J. B. Barnjum, of Annapolis Royal, N. S., a man who has devoted much time and much money to spreading the embargo gospel, has found his theories opposed. For instance, Angus McLean, of Bathurst, N. B., president and general manager of the Bathurst Company, Limited, owners of a pulp mill, a new paper mill, several saw mills, a hydro-electric development plant, tidewater docks, and vast tracts of pulpwood lands, as well as timberlands, is irrevocably opposed to the embargo. He says there will be retaliation on the part of the United States and declares that but for the American market, the pulp and paper mills of the maritime provinces would have been idle during the past three years. He admits the embargo will benefit his company considerably inasmuch as it will limit competition in the purchase of pulpwood, yet he asserts that but fifteen per cent. of the pulpwood converted into pulp and paper in the United States annually comes from Canada. He emphatically states, an embargo will seriously impair existing relations between American financial and pulp and paper interests on one side and Canadian financial and pulp and paper interests on the other hand.

Loses From Forest Fires

The devastation during 1923, of large areas of excellent pulpwood lands is a thorn in the side of the pulp and paper industry in the maritime provinces. What is the outlook for the future? Practically all of the pulp and paper concerns in the maritime provinces have suffered heavily during 1923. Forest fires have destroyed thousands of acres of excellent wood. The governments seem powerless to check the gigantic fire losses.

Except during the month of May, the burning of slash has been a serious offence when slash fires have been started without permits. But although most of the forest fires are believed to have been caused by slash burning minus permits during June and July, very few prosecutions were made. Recently, the New Brunswick government placed the burning of slash under the ban except during the autumnal months, and will refuse to issue permits for slash burning except during September, October and November.

But what guarantee is there that this law will be enforced? It is of no avail to place laws on the statute books that will not be enforced. There are far too many unenforced laws at present. Fire wardens are too few, and are usually political heelers who do not intend to enforce the law.

In addition to the fire losses which have reached abnormal heights in the maritime provinces there is the antagonism exhibited to the pulp and paper industry and lumbering as a whole, by the Workmen's Compensation Board of New Brunswick. This board has been heavily burdening the pulp and paper industry with exorbitant levies and one of the largest companies in the maritime provinces has been consistently fighting, through the courts, the efforts of the members of the board to extort huge leveis annually. Pulp and paper men who now fill the principal offices of the New Brunswick Lumbermen's Association are seeking substantial relief from the demands of this body.

FURTHER RESOURCES TO BE DEVELOPED

With Advancement of Paper Industry, Other Products Will be Produced

Although large supplies of pulpwood and lime are readily available in Canada, the pulp and paper mills are at present importers of many of the raw materials entering into the manufacture of chemical pulps and paper. In the fiscal year ending March 31, 1923, sulphur valued at $1,673,662 was imported chiefly from the extensive Louisiana sulphur deposits; of this amount about three-fifths was used in the pulp and paper industry. Sulphur can be produced from the domestic deposits of pyrites, but under present conditions cannot compete with the imported brimstone. Imports of alum and salt cakes amounted to over $1,000,000, of which seven-tenths was used in the manufacture of kraft pulp. Canada's dependence upon outside sources for this chemical will probably diminish as the sodium sulphate deposits of the prairie provinces are gradually developed. Again, though kaolin or China clay is produced in small quantities in the province of Quebec, the value of imported clay used in the pulp and paper industry amounts to about $200,000 yearly. Other products which are imported include resin, alum, pulpstones, acid proof refractories, and soapstone linings. Some of these are being produced in Canada and as the pulp and paper industry grows, a large enough market will become available to warrant the development of Canada's resources for these commodities.

PROVINCIAL PAPER MILLS
LIMITED

Largest Manufacturers in Canada of Book Papers. Also Manufacturers of High Grade Bleached Sulphite Pulp.

Mills at

Mille Roches - Ontario Thorold - Ontario
Georgetown - Ontario Port Arthur - Ontario

Head Office

54-56 University Ave., TORONTO

BELGO PURCHASE YEAR'S BIG EVENT IN PAPER STOCKS

After Twenty-Three Successful Years Belgian Enterprise Changed Hands

COMPANY IS STRONG

In Timber Supply, Mill Efficiency, and Management, the Organization is a Leader

THERE can be little difference of opinion as to what was the outstanding development in the paper industry during the past year. It has been, in the opinion of most, the passing to Canadian control of the Belgo-Canadian Paper Co. (to give the company its new name) and marking the change to Canadian ownership of one of the most successful industrial institutions in Canada ever financed by European capital. The change of ownership has been carried out in a way that has brought many Canadian investors into intimate connection with the company. The bonds and preferred stock issues that were sold were widely distributed among individual investors in Canada.

Romantic Story of Belgo

Belgo has had a somewhat romantic history. It was originally financed with Belgian capital and the first incorporation was under the laws of Belgium. From the date of its incorporation up to the present time the company has remained under Belgian control, the Bank of Outremer being largely interested. The company was started in 1900, following the development of water power at Shawinigan Falls. The present president and general manager of the company was its founder and has been in active control of its affairs ever since its organization. This executive, Hubert Biermans, had been an engineer in the Congo and in other parts of the world before coming to Canada.

From operating a groundwood mill the company progressed into the business of paper making and in 1904 a machine was introduced into the plant. Production increased until in 1908, 100 tons per day were being turned out. In 1916 the plant was thoroughly renovated and another machine added, bringing production up to 200 tons per day. Most of the developments have been financed entirely through the re-investment of earnings of the property. Lately there has been a number of changes in connection with the company and it has had no less than four separate names and incorporations, but these have all been preliminary to the ultimate passing of ownership to Canada.

The Advantages of Belgo

Perhaps the most important elements that make for success or otherwise in a newsprint company are timber supply, power supply, efficiency of plant and management. Belgo, it may be said, shows up very favorable in an analysis of these factors.

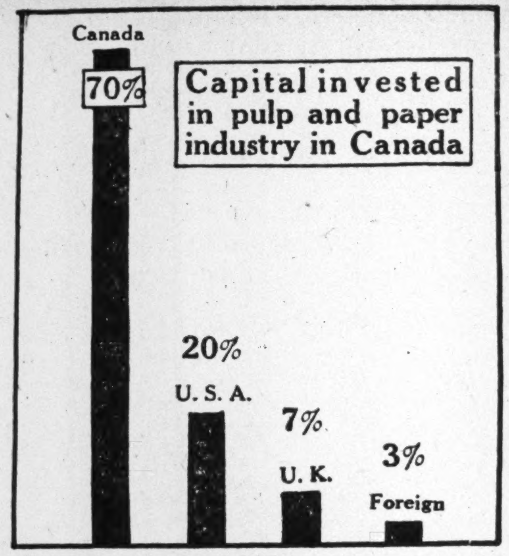
The company owns outright about 15,000 acres of timber lands and holds under license from the Quebec government an additional 800 square miles. These limits together are estimated to contain about six million cords of pulpwood. At the proposed production of 115,000 tons of newsprint per year these holdings represent 40 years supply of wood to the company, but allowing for re-forestation it is estimated that the company will have at the end of forty years 80 per cent. of the pulpwood it has to-day. The limits of Belgo are very favorably located on the St. Maurice River which is used for floating down the logs to the mill. A valuation of about four million dollars has been placed upon the company's pulpwood holdings.

Buys Power From Shawinigan

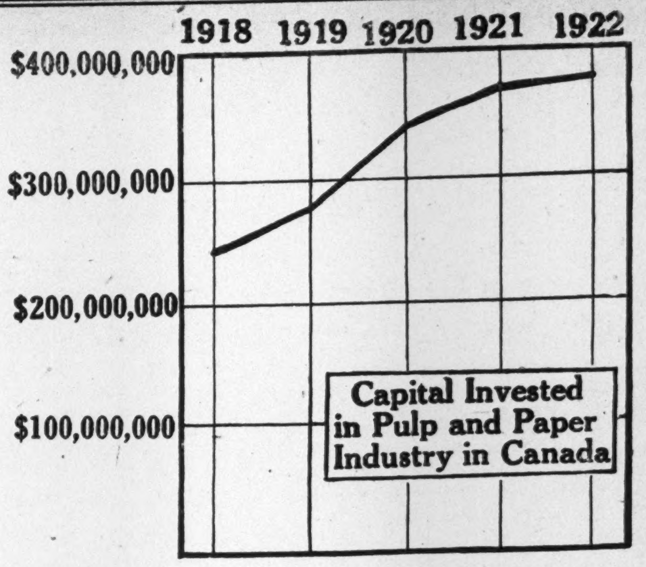
On the question of power supply Belgo is very well served, although it does not develop any power itself. Building its mill as it did at the time the Shawinigan Water and Power Co. was getting its development from Shawinigan Falls under way the company was able to arrange a long term contract on very favorable terms. The company purchases some fourteen thousand hydraulic horse power and fifteen thousand electrical horse power from Shawinigan at an average cost that is said to be in the neighbourhood of $12 per year. This is considerably less than any contract could be arranged for at the present time in either Ontario or Quebec. In fact the power is so cheap that the company produces steam from electrical energy rather than from coal. Only one other company, the Laurentide Co., carries out this interesting operation.

Has a Well Balanced Mill

The mills are regarded by paper experts as quite efficient and are particularly well regarded in that they are well balanced. That is to say that the chief end in view is always the production of newsprint paper rather than the production of pulp as well as paper for sale. The aim is to provide only enough groundwood pulp and sulphite to keep the newsprint mill running on a proper basis. It has been the experience that newsprint markets are not subject to the same wide fluctuations that are noticed in the pulp markets and the well-balanced mill,' such as Belgo, will not have the same ups and downs in its earnings.



THE FINANCIAL POST



In the question of labor and management Belgo compares favorably with any mill in Canada. The company being located at Shawinigan Falls has not had to invest large amounts in contracts for the housing of its employees. Its only contribution in this respect has been a row of houses on one of the streets near the mill at Shawinigan Falls.

The management is in the hands of the men who have brought the company through twenty-three successful years; the general manager, Mr. Biermans, and the man most immediately concerned with production, Mr. John Stadler, also a Belgian, who is rated as one of the most successful paper manufacturers in the world.

Is a Low Cost Producer

With all these elements of success inherent in its organization, Belgo has been able to achieve a reputation as a low-cost producer. Comparative figures with other companies are hard to obtain because most mills keep such figures highly confidential but information that is available indicates that Belgo produces newsprint at a lower price than the average mill and of course sells at the same price as the others because newsprint is marketed upon a basis where all mills get the same price per ton for their output.

This resume of the position of the Belgo-Canadian Paper Company has been exceedingly optimistic but it is nevertheless a fair story of the company and its operations. There is reason to be optimistic in speaking of the company and because it is now under Canadian ownership not only as regards bonds and preferred stock but as regards the common stock it is the more gratifying.

The purchase was effected by J. Harry Gundy, Toronto financier, who went to Europe to conclude negotiations. The Belgian stockholders received $97 a share for their stock, which gave them an excellent return at present rates of exchange. This brought the price of the property to over $15,000,000, for there was $14,000,000 of stock outstanding and the purchasing syndicate had to redeem at a premium $1,500,000 of bonds.

CAPITALIZATION

	Par	Outstanding
7% cum. pref.	$100	$4,000,000
Common	100	8,500,000

Bonded Indebtedness

1st mtge. bonds, 6% due 1943 $8,000,000

Pulpwood Supply—Company owns 15,000 acres of freehold timber limits and controls 1,800 square miles of leasehold limits containing 6,000,000 cords of pulpwood.

Production—On completion of the final newsprint machine in November production will total 245 tons of groundwood, 90 tons of sulphite pulp and 345 tons of newsprint daily.

Directors—Hubert Biermans, President and General Manager; Sir Herbert Holt, Vice-president; John Stadler, Chief Engineer and Manager; Francois Faure, Manager of Wood Department; John W. Ross, Edmond Taschereau, J. H. Gundy, H. Newman, R. O. Sweezey, A. deHauffe, Secretary-treasurer; Chas. Lebrun, Asst. Secretary-treasurer.

Assets—The physical assets, including plants, properties, buildings, timber limits and leases have been recently appraised and have been valued, including extensions now being made, at $18,750,464.

Net current assets (working capital) as at April 30th, 1923, after all current liabilities, were $2,306,265. The company has no bank loans.

Earnings—Net earnings, after maintenance and repairs and after allowing for interest and sinking fund on $8,000,000 First Mortgage Bonds, available for dividends on preferred shares, depreciation and income taxes have been as follows:—

Period	Output (Rate per Annum)	Earnings (Rate per Annum)
Four fiscal years ended August 31st, 1922	65,303 tons	$1,102,570
Eight months of currest fiscal year (September 1922 to Apr. 1923, inclusive)	65,303 to 90,000 tons	1,349,054

The additional equipment increasing capacity to 90,000 tons per annum began operation on March 1st; net earnings for the first two months following such increase amounted to $344,000. Commencing November 1st next, the completion of another newsprint unit now being installed will increase production to 115,000 tons of newsprint annually, which should mean larger earnings.

BAY SULPHITE — May Double Its Capacity

An event of some importance during the past year was the re-financing of the Bay Sulphite Company. This is a company with a romantic story. It was organized during war time to supply sulphite pulp to leading British and French paper makers and these subscribed the outstanding preferred stock. The company was known as the Ha! Ha! Bay Sulphite Company and its mill, finally of 40,000 tons annual capacity, was erected at Port Alfred on the Saguenay River not far from the Chicoutimi Pulp Company's plants which are owned by the interests in control of Bay Sulphite. Later through complete stock ownership, the St. Lawrence Pulp and Lumber Corporation, owning a 30,000 ton mill on Chaleur Bay, on the south shore of the Gaspe Peninsula, was acquired.

The company has entered into ten-year contracts with Becker & Company, Limited, of London, England, and through that company with various leading British and French paper mills and newspapers, whose contracts Becker & Company have guaranteed, for the sale of the company's output of sulphite pulp up to its annual capacity of 70,000 long tons. The contracts of the company are on a basis of cost plus an average profit which insures guaranteed annual net earnings, regardless of market conditions and after taxes, leases, maintenance, repairs and depreciation, and available for bond interest, of $800,000.

Interest in the company now centres in discussions to double the capacity of the mills. This is likely to be proceeded with before next fall. As the bond issue is authorized to the amount of $15,000,000 the financing of the additional construction when undertaken will not be difficult of arrangement.

CAPITALIZATION

6% redeemable pref.	$1,342,615
8% pref. shares	1,300,000
Common shares	5,000,000

Bonded Indebtedness

6½% 1st mtge. bonds due 1943	$3,000,000

Timber Supply—Company itself or through subsidiaries owns 50,000 acres of freehold timber and holds under license 996 square miles, estimated in all to contain 6,000,000 cords of pulpwood.

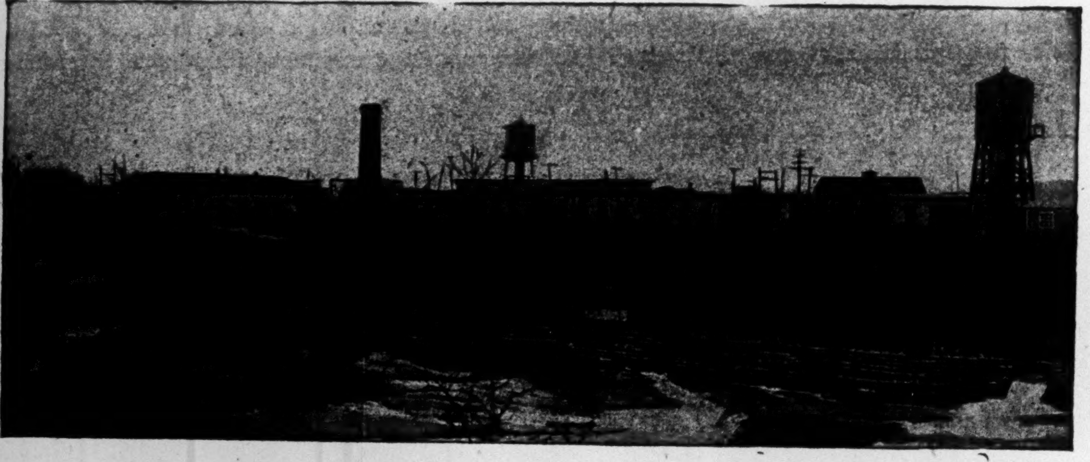
Properties — Include two modern mills at Port Alfred and in the Gaspe Peninsula.

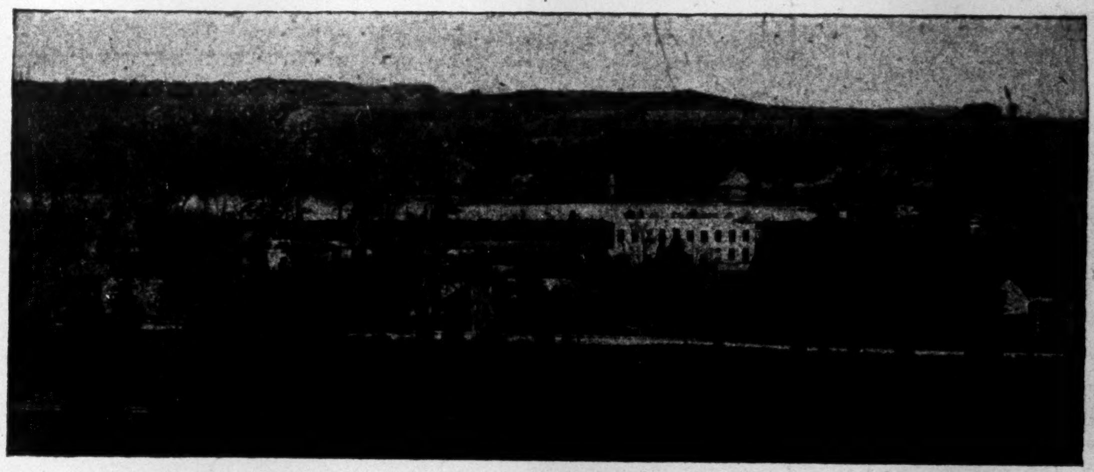
Production—Capacity of the two mills is 70,000 long tons of sulphite pulp per annum.

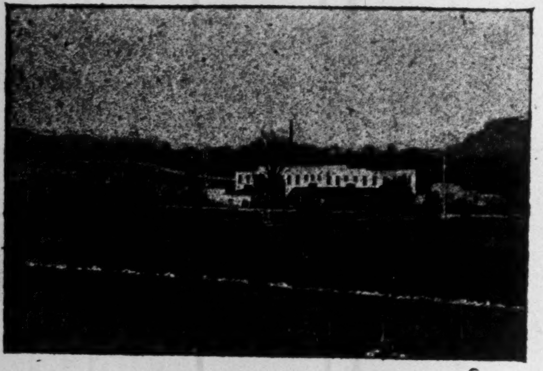
Directors — Sir Frederick Becker President, London, England; Victor E. Mitchell, K.C., D.C.L., Vice-president, Montreal; Arthur C. Hastings, Vice-president, New York; G. R. Hall Caine, C.B.E., M.P., Vice-president, London, England; John W Ross, Montreal; J. H. Gundy, Toronto; R. O. Sweezey, B. Sc., M.E.I.C., Montreal; A. M. Irvine, Chairman Executive Committee, Montreal; G. Sureth, Montreal.

Earnings are thus described in the circular offering the bonds: "Average annual net earnings available for payment of bond interest for four years ended December 31st, 1919-1922, were $559,071—nearly three times interest requirements on these bonds.

"The contracts for sale of its output are guaranteed by Becker and Company, London, England, which insures the company, regardless of market conditions, annual net earnings, after taxes, leases, maintenance, repairs and depreciation, and available for bond interest of $800,000, or over four times interest on bonds."


Plant of the Canadian Paperboard Co., Campbellford, Ont.


The mill of the Canadian Paperboard Co., Limited, at Frankford, Ont,


Groundwood pulp mill of the Canadian Paperboard Co., Limited, at Frankford, Ont.

LEADERS IN PAPERBOARD

The Canadian Paperboard Company, Limited, is the largest producer of paperboard in Canada. With mills at Frankford and Campbellford in Ontario and at Montreal in Quebec, it has a yearly output of 30,000 tons of Paperboards and 5,000 tons of Groundwood Pulp.

All grades of boards are manufactured including the following varieties:

CHIPBOARD - NEWSBOARD VAT LINED BOARD
STRAWBOARD WOODPULP BOARD CONTAINER BOARD
WHITE PATENTED COATED BOARD AND SPECIALTIES.

J. G. G. Kerry
President

David F. Robertson
General Manager

Chas. E. Whitten
Secretary-Treasurer

The Place of Paperboard

A generation ago no one looked upon paperboard as an article of prime importance.

The step from the open sugar barrel of twenty years ago to the neat and attractive paperboard carton of to-day has been a revolutionary one.

Thanks to modern merchandising, advertising methods and public sentiment in favor of sanitary containers, the making of paperboard is to-day one of the key industries of commerce.

Practically every article of consumption, wearing apparel and use in our everyday life is put up, shipped or delivered in a paperboard package.

Canadian Paperboard Company Limited
MONTREAL

WHALEN—Steadily Reducing Its Bonded Debt

Many reports have been circulated about Whalen Pulp and Paper to the effect that the company would carry out some new financing with a view to installing newsprint machines. So far nothing has been done, although there have been several reports of approaching meetings of the shareholders to consider the matter. Just recently it was stated that a meeting was soon to be called at Vancouver.

Information gathered about the Whalen would indicate that something is in the air. Annual reports are missing for the years ending 1922 and 1923. In the meantime, it is understood that a drive is being made to improve the position of the company. This has been in way of reducing the bonded indebtedness and redeeming mortgage lien notes outstanding. This has resulted in a decline in indebtedness of $907,500 since 1920. Of course, the bank position of the company is not known and will not be until the two missing annual reports are made public. However, the general opinion seems to be that it must be pretty good, when so much has been paid off the bonded indebtedness.

Whalen's mills have been running at capacity and it is understood that the output for the past year has been sold to New York at a very good price. The argument for the installation of the newsprint machine has been that there is a tremendous market in the middle states available for newsprint. About the only concern that is now handling that market to any extent is the Spanish River.

The reductions in bonded debt have been as follows:

1920	$100,000
1921	125,000
1922	185,000
1923	197,500
Total	$607,000
Mortgage lien notes retired	300,000
	$907,500

CAPITALIZATION

	Par	Outstanding
7% cum. preferred...	$100	$2,102,500
Common	100	8,000,000

Bonded Indebtedness

1st mtg. 6% bonds due 1921-34	$3,400,000
Debenture stock, due 1932	3,050,000
Serial notes, due 1921-24	300,000

Dividends—None have been paid.

Timber Supply—The company owns 140,000 acres of timber lands and leases in addition to approximately 36,000 acres.

Properties—Include mills at Mill Creek, Swanson Bay and Port Alice, B.C. All are in tidewater, making shipments to the Orient convenient.

Production—Includes in addition to lumber and shingles 46,400 tons yearly of woodfibre, easy bleaching sulphite; and 30,000 tons of bleached sulphite.

Profit and Loss Account

Year Ending February 28

	1921	1920
Net earnings	$1,208,854	$878,549
Taxes	26,616	56,181
Interest	651,635	498,611
	$530,603	$323,757

Officers—Hon. T. W. Garry, K. C., president; A. E. McMaster, secretary-treasurer.

Directors—Hon. T. W. Garry, V. E. Mitchell, K.C.; Jas. Whalen, I. W. Killam, W. D. Ross, T. F. Cole, M. R. Higgins, M. J. Haney, Alex. Smith, L. Killam, W. MacLaughlan, A. H. Douglas.

Stock Exchange Prices

	— Pfd. —		— Com. —	
	High	Low	High	Low
1922	27	—	10¼	10

CANADA HAS

The largest newsprint mill in the world—the Abitibi at Iroquois Falls;

The fastest running paper machine in the world—at the Laurentide's Grand Mere plant;

The largest groundwood pulp mill in the world—the Chicoutimi.

BATHURST CO. in Newsprint Field Now

The Bathurst Company is an important manufacturer of pulp, and depressed market conditions in this field have been responsible for greatly curtailed earnings during the past two years. The company is now assuming greater importance by establishing itself as the first newsprint manufacturer in the Maritime provinces. One machine of 60 tons daily capacity was completed this year and next year will see the completion of a second machine of similar size.

In the annual report for the year ended December 31, 1922 the president, Angus Maclean, said:

"The markets and prices for the first eight months of the year were very unsatisfactory and our products had to be sold during most of that period below cost of production. This applies more especially to our pulps and this is now the largest part of our output. Practically all our pulp finds its market in the United States, and, owing to competition from the Scandinavian countries in that market, a low range of values prevailed during the whole year. The usual market for this Scandinavian pulp is Great Britain and the continent of Europe; but, owing to bad business conditions over there, the pulps could not be sold in their usual markets and they were dumped into the United States at very low prices, the selling and producing parties suffering very serious loss owing to this condition. The European demand, particularly in England, has improved and is now again consuming considerable of this production and besides stocks on hand in the Scandinavian countries are reduced below normal. This has brought about a considerable improvement in price and demand for our product and we now consider this unhealthy competition ended.

"With our increased output and the better market conditions now prevailing, we are looking forward confidently to much better results for 1923 than during the past two years."

CAPITALIZATION

Common shares	$9,774,200

Bonded Indebtedness

6¼% 1st mtge. bonds	$1,500,000
7½% 1st mtge. bonds	1,477,000

Convertible into common at par.

Timber Supply—The company's and subsidiary's leasehold timber lands comprise 1,030 square miles in the Province of New Brunswick and 1,533 square miles in the Province of Quebec, which areas are held under leases direct from the Crown and are estimated to contain not less than 2,000,000,000 feet board measure of spruce, pine and cedar logs and 10,000,000 cords of pulpwood.

Properties — Consist of mills and plants at Bathurst, N.B., and a developed water power at Grand Falls with a present capacity of 9,000 h.p.

Production—On completion of present construction will total in addition to timber 36,000 tons annually of newsprint; 19,500 of sulphate or kraft pulp; and 12,000 tons of sulphite pulp.

Directors—Angus McLean, President; A. E. McLean, Vice-president; M. E. Priesch, Vice-president; John A. Cameron, Ottawa; L. S. DeGraff, North Tonawanda, N.Y.; Gordon C. Edwards, Ottawa; Cyrus D. Jones, Scranton; F. P. Jones, Montreal; Harry L. Jones, Brooklyn, N.Y.; F. M. Kirby, Wilkes Barre, Pa.; A. E. Loosen, Bathurst, N. B.; Hugh McLean, Buffalo, N.Y.; E. S. Peck, Scranton, Pa.; F. L. Peck, Scranton, Pa.

Profit and Loss Statement, 1922

Net profit for year		$123,677
Balance fund	$305,805	
Less adjustments	27,794	
		278,010
		$401,687
Less:—		
Bonded interest	$110,594	
Other interest	109,323	
		219,917
P. & L. Balance		$181,770

Bond offering circular gave previous profits as follows:—

Net earnings of the company after deducting operating expenses, maintenance, depreciation and bank interest, but before deducting depletion, profits taxes and bond interest, were as follows:

1917	$484,023.98
1918	462,918.79
1919	474,833.67
1920	889,338.39

or an average of $577,778.71 per annum available for annual bond interest of $210,000.

For the year ended December 31st, 1921, in common with other pulp and lumber manufacturers, after deducting operating expenses, maintenance, depreciation and bank interest, but before deducting depletion and bond interest, the company made a loss of $383,707.26.

Before bringing forward net earnings for the year ended 1920, over $500,000 was written off profits for inventory depreciation. Earnings mentioned above have been calculated on a conservative basis, in that over $700,000 has been written off for plant depreciation, before arriving at net earnings.

CLYDE-SISSIBOO — Recently Financed in Canada

Two groundwood pulp companies in Nova Scotia have been joined together in the Clyde and Sissiboo Pulp Company under the ownership of Becker and Company of England. The company's products are sold under long term contracts to the Becker interests and the parent company guaranteed a bond issue that was sold in Canada during the past year.

CAPITALIZATION

Common shares	$750,000

Bonded Indebtedness

	Authorized	Issued
6½% 1 mtge. bonds	$1,000,000	$500,000

Timber Supply.—Company owns 24,361 acres of freehold and 44,936 acres of leasehold timber lands and has pulpwood cutting rights on a further 10,165 acres.

Properties include two groundwood mills and water powers capable of developing 16,000 h. p. but now developing 3,600 h.p.

Production.—The two mills have a capacity of 13.000 tons of groundwood pulp per annum.

DONNACONA—Is Now Enlarging Output

There is not much Canadian interest in the stock of Donnacona Paper Company for the shares are largely held in New York State. But Canadians have a distinct investment interest in the company because bonds to the amount of $2.995.500 are outstanding and are largely held by Canadian investors.

Donnacona is a compact and efficient unit in the newsprint industry. The company has timber limits totalling 600.000 acres and containing 4.525.000 cords of wood. It has extensive water power. Its wood is known to cost it much less than that of other mills. due to the advantage of being practically on tidewater.

A new addition to the mill is being completed which will bring the annual production of newsprint paper to 60.000 tons per annum from the present output of 30.000 tons. When the new unit is in operation the mill will use all the sulphite pulp it produces, although at the present time a considerable quantity is sold elsewhere.

CAPITALIZATION

	Outstanding
Common shares	$1.500.000
7% Pref.	1,796,000

Bonded Indebtedness

6% 1st mtge., due 1940	$2.955,500

Dividends—Common is now on basis of 8% annually.

Pulpwood Supply—Company controls freehold and leasehold timber lands, situated adjacent to the Jacques Cartier and St. Lawrence Rivers, aggregating 595.440 acres and containing 4,525,000 cords of spruce pulpwood.

Mills — Are located at Donnacona, Quebec, at the meeting of the St. Lawrence and Jacques Cartier Rivers. Company develops own water power to the amount of 7,000 h.p. out of 24,000 h.p. controlled.

Production—Will total 42,000 tons of groundwood pulp; 18,000 tons of news sulphite pulp and 60,000 tons of newsprint paper on completion of extensions now going forward.

Officers—Harry P. Gould, President; Francis K. Kerman, Vice-president; Chas. B. Rogers, Secretary-treasurer; Robt. P. Kerman, 2nd Vice-president; Cone Barlow, Mill Manager; W. M. Dickinson, Superintendent.

Profits—In 1922 profits were $414,240. From this is deducted $88,827, adjustment for taxes, and $196,427 was written off the wood pile, bringing this down to present prices. After payment of bond interest and dividends the balance carried forward into 1923 was $676,103 as against $907,153 at the beginning of 1922.

DRYDEN—Getting Back to Normal

Dryden Paper Company has practically completed the programme of expansion that has been under way at its mill at Dryden, Ontario, and now has its new wrapping paper machine in operation. This machine has a daily capacity of from ten to fifteen tons of paper, bringing the total capacity of the plant to 50 tons daily of heavy and light-weight kraft and manila wrapping papers. The pulp mill has a daily capacity of 75 tons of kraft pulp.

The wrapping paper has always been the profitable end of Dryden's business and its losses in the past have been due largely to the necessity of selling kraft or sulphate pulp at less than cost of production. The new machine capacity means that a larger proportion of the company's pulp is converted into paper within its own organization. The excess is now being marketed wtihout loss.

During the past year an important development in Dryden has been the taking over of a large measure of control of its affairs by George Chahoon Jr. and F. A. Sabboton, two successful paper operators who have built up the Laurentide Company.

Earnings are now improving after a difficult period of operations, due to the commencement of a large expansion programme at a time when the market for the company's products was greatly upset.

CAPITALIZATION

	Outstanding
Common shares, no par value	100,000 shares

Bonded Indebtedness

6% 1st lien notes due 1928	$ 335,000
6% debentures due 1945	1,100,000

Timber Supply—The company holds 1,157 square miles of timber limits in Kenora District of Ontario.

Properties—Consist of kraft and groundwood pulp mills and paper mills together with water power development.

Production—Is now up to 75 tons of kraft pulp and 50 tons of kraft papers together with groundwood pulp.

Earnings—Have been unsatisfactory for the past two years due to the collapse of the kraft pulp market, although the former company had a fairly consistent record of moderate profits. The balance at debit of profit and loss account at September 30, 1921, was $321,720 and loss for 1922 before providing for depreciation was $225,016.

The stock is not listed.

FRASER Co's.—An Eastern Organization

Financing a couple of years ago placed the Fraser Companies in an excellent working capital position which has been maintained in the face of heavy depreciation charges and write offs of inventory. This company, which is a large operator in the lumber business in Eastern Quebec and New Brunswick, operates two sulphite pulp mills in the latter province. The stock is not widely held but there is a broad distribution of both the first mortgage and the general mortgage bonds. The general mortgage bond issue is authorized to the amount of $10,000,000, allowing ample scope for financing of future extensions of the company's activities.

CAPITALIZATION

	Outstanding
Common shares	$10,000,000

Bonded Indebtedness

6% 1st. mtge. bonds	$2,250,000
8% gen. mtge. bonds	2,000,000

Timber Supply.—Company holds 1,822 square miles leasehold and 210 square miles freehold timber limits, estimated to contain 4,650,000 cords pulpwood. Company also has cutting rights on 900 square miles privately owned land.

Mills.—Company owns two pulp mills at Edmundston and Chatham, N.B., also 12 saw mills.

Production includes, in addition to lumber, 54,000 tons annually of bleached sulphite pulp and 18,000 tons of easy bleaching sulphite pulp.

Directors.—Archibald Fraser, president; Donald Fraser, vice-president; A. W. Brebner, treasurer; W. Matheson, secretary and Thos. Matheson, all of Edmundston, N.B., and W. C. Pitfield of Montreal.

Profit nad Loss Account

	1922	1921
Net profit	$804,614	$1,001,460
Bond interest	260,750	199,227
Other interest	221,247	333,873
Depreciation	209,455	445,572
Depletion	57,840	235,463
Disc. on sec.	31,500	31,500
Taxes	5,205	249,463
Invent. dep.	270,000	1,000,000
Balance	*$259,383	*$1,493,639
Bal. forward	783,142	2,276,781
P. & L. bal.	$523,759	$ 783,142

ST. LAWRENCE—New in Newsprint Field

One of the newer operators into the field of newsprint manufacture in Canada, the St. Lawrence Paper Mills of Three Rivers, Quebec, has during the past year gotten two newsprint machines into production, turning out 160 tons of newsprint daily.

Originally this company was organized by Noah H. Timmins and his associates of the Hollinger Mine under the name of the Three Rivers Pulp and Paper Company. The plan was to have a pulp mill only, but the slump in the groundwood market caused a change in the plans and the company, when put upon a different basis, decided to manufacture newsprint as well. The name was changed to St. Lawrence Paper Mills and authority was given by the shareholders to the issuance of $2,500,000 of preferred stock; 40,000 shares of common stock and $2,500,000 of bonds. No plans have been announced for financing the company permanently but in the meantime the original owners have supplied the funds for all construction and operations. It is possible that public offering of a portion of the securities may be made later.

The company's paper is marketed through the St. Maurice Paper Sales Company and American newspapers have contracted for the entire 1923 production. The plant at Three Rivers has a frontage of 1,500 feet on the St. Lawrence River with 35 feet of water at the dock. Power is purchased from Shawinigan Falls.

CAPITALIZATION

	Authorized
Preferred stock	$2,500,000
Common (shares)	40,000

Bonded Indebtedness

	Authorized
Bonds	$2,500,000

Pulpwood Supply—505,000 acres of pulpwood limits are held under license and in addition 50,000 cords of pulpwood are now being purchased yearly.

Properties—Mill is located at Three Rivers, Quebec, and is one of the most modern in Canada.

Production—140 tons of groundwood daily and 160 tons of newsprint.

Officers—N. A. Timmins, President; D. Breakey, E. Rossiter, Vice-presidents; J. I. Rankin, Secretary-treasurer; E. Rossiter, General Manager; A. M. Creighton, Assistant Treasurer and Chief Accountant.

TRADE MARK

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Made in White and Seven Colors

Suitable for sales letters, broadsides, envelope stuffers, folders, booklets, pamphlets, office and factory forms, departmental correspondence.

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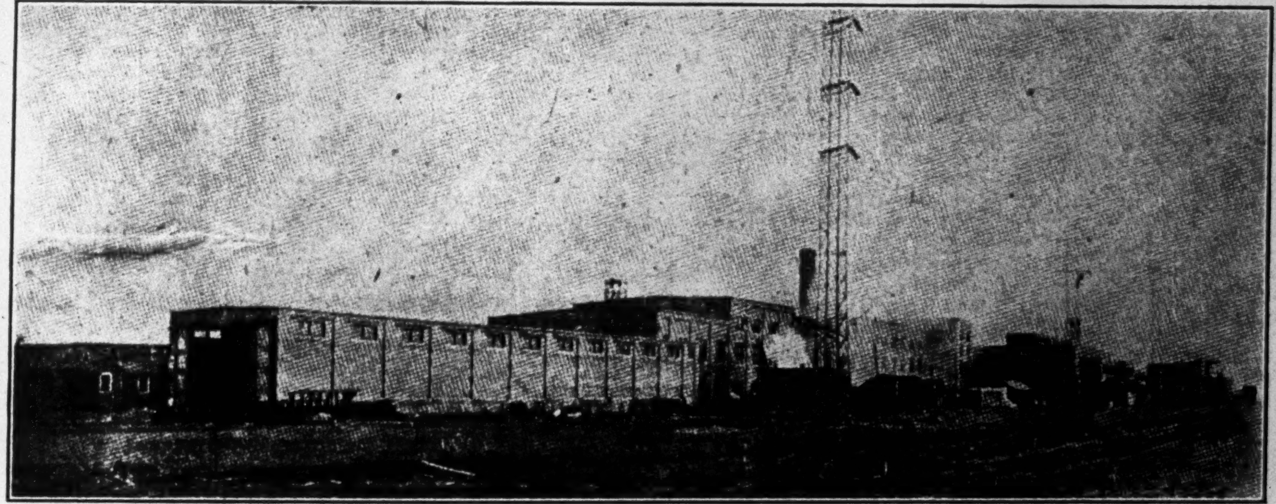


The New and Modern Mill of the Company at Three Rivers, P.Q.

St. Lawrence Paper Mills, Limited

Manufacturers of Newsprint Papers

Annual Production
45,000 Tons

Three Rivers, Que.

Montreal Office
1010 Canada Cement Building

St. Maurice Sales Co., Ltd.--AGENTS--Montreal and New York

Stockholders Have in Their Hands Future of the Industry

Radical Measures Needed Now to Protect the Pulp and Paper Industry and Other Industries Dependent Upon the Forest Resources of Canada

By ELLWOOD WILSON,
Manager, Forestry Division, The Laurentide Company.

NO MATTER what concern a man puts his money into, wood plays some part as a raw material. In the manufacture of lumber, pulp, paper, and furniture, it is of paramount importance. Without wood these industries cannot exist. This is axiomatic and needs no argument. The wise directors will therefore see that there is a constant source of supply. This immediately brings up two points of view. How long will the industry continue? Before we answer this question, the investor must be classified. Is he a speculator who wishes to buy the securities of a wood using concern only to hold them for a rise and then sell out at a profit, or is he a real investor who wishes to keep the securities and have them yield him a steady income and then pass it on to his children or his estate? If the former, he is not directly concerned in the success of an industry, and it makes no difference to him whether it goes into bankruptcy next year or not, and we need not consider him further. If he is the latter, there are again two points of view. First, if the concern is run so that its plant and the total investment are amortized, say for a period of fifteen or twenty-five years, so that at the end of that period the plant can be scrapped, the company dissolved, and the investor will have had all that is coming to him. Unfortunately no businesses are run on this basis except well managed mines which are, in the nature of the case, subject to exhaustion. The average investor expects to leave his money in a good concern, and hopes to pass his holdings on to his children. Therefore, he wants to see the industry, in which he is interested, have a continuous supply of raw material.

"To Hastening Ills a Prey"

There is also a broader view point of the patriot, the man who has his region's interest and that of his country at heart. He does not want to see abandoned farms and factories, once prosperous villages and towns, falling into decay. Especially do we not want this to be the case in Canada. Who wants to see Espanola, Iroquois Falls, Buckingham, Hawkesbury, Kenogami, Chicoutimi, Three Rivers, Shawinigan Falls, and Grand 'Mere, in ruins? This is no idle dream, for there are many such towns in Pennsylvania and in the Lake States in just such case. Take the New England States and one finds fewer farms than there were fifty years ago. Drive through western Maine and see the abandoned farms. Look at the Province of Quebec. See the abandoned farms near St. Michel des Saints, along the St. Maurice River. Look at the Laurentian district north of Montreal, where the government is forced to build a highway to bring in American tourists to keep the settlers from starving to death or moving out. As fire or cutting removes the forest, the settlers are deprived of work for the winter months, and as their farms alone will not support them, they have to give up.

Forests Cannot Stand the Drain

With the idea that forests were unlimited in extent and in reproducing power, lumbermen and the woodlands departments of pulp and paper companies did not even trouble to protect them from fire, or even to find out how much timber was on their holdings. Not until 1908 were serious efforts made to protect the forests from fire, and it seemed at that time to be the general opinion that the fires were just as inevitable as rain. To-day, when the whole world is approaching the point of panic as to the future of our softwood supplies some steps have been taken toward proper fire prevention, but they are not nearly sufficient. Each year far more wood is burnt than is used, and the bills for fire fighting are tremendous. The forests simply cannot stand the drain, and a shortage of wood with a consequent rise in the price of all commodities, having it as a raw material, will advance very much.

There has also been an idea that the forests reproduced themselves perennially, and that a new cut could be made every ten or fifteen years. This has proven to be erroneous and we now know, what people in Europe and other countries where forest has been practiced have learned from sad experience, that nature alone cannot reproduce the forests. Left to themselves, inferior species come in to replace the valuable ones, the amount of timber per acre decreases, and the time required to produce a second crop is too long to wait. Methods of getting a sufficient second growth on cut-over lands have been evolved in Europe, sometimes by cutting according to certain recognized systems and sometimes by seeding or planting. All of these cost money.

Have to Pay Dividends

The woods operator is compelled by his management to deliver logs to the mill at the cheapest possible price, and therefore he cannot afford to adopt any method which increases the cost of cutting. In conversation the other day, the manager of a large mill, said: "We cannot afford to spend any money in getting a second crop of timber, for we have to pay dividends to our stockholders." This puts the blame for the present condition of affairs exactly where it belongs. The stockholder is responsible for lack of protection from fire and the destruction of the forest, and this holder is getting his dividends at the expense of his property. He is spending his capital instead of his income, he is buying his newspaper cheap today, but in a very few years he will have to pay much more for it. Already the increase in the cost of wood in a ton of paper has risen some two or three hundred per cent. The reason for this is not hard to account for. In the early days of lumbering, the trees close to large rivers were the first to be cut, then those along the easier drivable streams and where the hauls were short and easy. Gradually the length of drives and hauls increased. Provisions, equipment, and men, had to be taken further and further into the woods with only the most primitive means of transportation, thus materially and progressively raising the cost of logging. In some regions, to-day, practically all of the accessible timber has been logged and very expensive depots and roads must be built to get that remaining.

Fire Risk is Great

With the increase in the number of operating companies and the tremendous increase in logged-over areas, the risk of fire has very much increased. In former years logged-over sections were separated by areas of uncut timber, and it was possible to stop fires. Now the areas are running together, and when a fire starts, it runs for miles through these areas, covered with logging debris, with the speed of a race horse. Practically nothing can stop a fire in such areas when a strong wind is blowing, and it crosses rivers and even large lakes at a bound. Often fire will leap over the heads of the fire fighters and start other fires miles away. Almost all of the cut-over lands burn eventually, and lands once burnt over, deprived of the cover of the trees, dry out in the early spring and catch fire very easily indeed.

Land once burnt over can reseed itself to trees, but if burnt over twice the soil is often burnt away and nothing is left but bare rock. Then too, after a fire, only the inferior kinds of trees come in and years must elapse before the valuable species come in.

There is much misconception even among lumbermen as to the composition of a forest. The ordinary man has the idea that the forest is an unbroken area of spruce and fir or pine. In Eastern Canada this is far from true. The flats and swamps are generally covered with spruce and fir, the slopes with spruce and fir mixed with hardwoods, and the ridges are practically all hardwood. As much of the country has been burnt in past years, there are large areas covered with aspen poplar and white birch, and sandy flats covered with jack pine. Where there is mature merchantable timber, many of the trees are dying from old age or disease, and these areas, which must be held for the needs of the next twenty-five years, are annually becoming less valuable. Estimates of such lands made to-day, compared to those on the same lands twelve years ago, show 25 per cent. less merchantable timber. The cut-over lands, where not burnt, are coming in over large areas to hardwood.

Small Trees Don't Grow

In the past the method of logging has been to take out the largest and the healthiest trees, and to leave the dead, dying, and poor trees to produce the next crop, just as though, in a human community, all the strong and healthy people were to be removed and the weak, the feeble-minded, and diseased, were left to perpetuate the race.

As the Government has required that only trees of a certain size should be cut, many small trees have been left, and it was the impression that these would grow up and form the next crop. It has been found, however, that the great majority of these were not in reality young, but that they were of the same age as the large ones and through crowding and lack of light had become suppressed and would never recover and grow into merchantable trees.

Wrong Ideas About Growth

Many erroneous ideas are prevalent as to the time it takes for a forest to reproduce itself. The average time it takes spruce and fir to grow one inch in diameter is, in Nova Scotia and New Brunswick, about eight years, in Quebec and Northern Ontario, about ten years, under conditions existing in the forest. So that to get trees big enough to cut requires about 64 to 80 years. On cut-over lands growth begins soon after cutting, but where there are hardwoods mixed with the pulp wood trees, they often seed in first, and by crowding out the latter, keep down the amount of the final cut. Studies made on such lands show that after sixty years the cut may amount to 1 1-2 to 2 cords per acre, too little to log! On burnt land the first trees to seed in are poplar and birch and, depending on the nearness of seed trees, the spruce and fir begin to come in only when the former are fifteen to twenty years of age. This means that it will take 75 to 100 years to produce merchantable timber. On other areas jack pine comes in which may produce a crop big enough for pulpwood in thirty-five to fifty years. This wood is not very good for anything but "kraft" pulp, although means may be found to use it in the making of other papers. The tendency in all forests is for the inferior species to come in and nature always requires some help to keep the better species on the ground. In England they use the term "degraded" forests for such areas, and it often takes many years to restore such areas to their pristine condition.

Some Popular Misconceptions

It is just as much the business of a concern using timber to keep its forests in good condition and producing a timber crop as it is to keep mills and machines in good and producing condition; they are the life set aside for this purpose. It is not sufficient to write off a certain amount each year for "depreciation" of timber land, as they should not be allowed to depreciate any more than a building, but should be kept in producing condition, and money must be blood of the business and cannot be replaced. The idea has been in the back of most people's minds that we could go to Hudson Bay or Labrador for our future supplies, but there are no supplies there, and almost all the good timber lands in eastern Canada have already been picked up by the large interests. As with everything else, money is required to keep up our forest lands, and the situation must be faced that our forests must be so logged that they will produce a second crop of trees. This will add to the cost of logging and therefore to the cost of the finished product, so that the public must resign itself at once to higher prices for all products of wood using industries. The longer this is put off the more serious the crisis will be. If commenced at once there will be a rise in costs and prices, but this will then become uniform over the future; if not begun, the rise in costs and prices will be constantly increasing until our wood shortage arrives, when they will go up with a jump and mills will have to close down and go out of business for lack of raw material. This is no idle fancy, for this condition has already arisen in the United States, where they are thrown into a panic by the proposal to put an embargo on the export of wood from freehold lands in Canada, and the statement has been made that if the embargo becomes a fact, the majority of mills in New York State must shut down at once.

Outlining the Remedy

What is the remedy for the situation into which we are drifting? It is not a new one, for all the countries of Europe have passed through a similar one and are wondering why we on this continent, with our boasted efficiency, have not taken steps to meet it. First we must prevent forest fires and the only way to do this is to make every man, woman and child in the country realize that a forest fire is a national calamity and must be prevented at all hazards. All those using the forest for any purpose must feel that they dare not set a fire, and that if they see one it is their personal business to leave everything and put it out. The chief causes of fires are careless campers, trappers, prospectors and fishermen; railways, settlers and berry pickers. They all need educating. Something must be done to clear up the debris after logging, as this is very dangerous. Aeroplanes and lookout towers connected up by telephone lines must be installed, so that fires can be discovered immediately. Fire stations equipped with every means to fight fire must be established and manned by trained fire fighters, and roads must be provided to get them to the fire at the earliest possible moment. No one must be allowed in the forest who is likely to be careless, and the boundaries between settled land and forest must be patrolled to prevent people from going into the woods and to see that settlers, clearing land, do not set fires.

Some Further Suggestions

The present methods of cutting must be changed at once so that there shall be enough seed trees left to restock the land, that too much timber is not taken off the area permitting the poorer species to form the next crop, and that as much timber as can possibly be used from trees affected by rot and fire and insects shall be utilized. Logging debris and dead and decayed trees must be cleaned up to prevent the spread of disease among sound trees, and methods of cutting adopted which shall prevent epidemics of the far famed budworm, second only to the forest fire as an agent of destruction.

All these things cost money, and those using the forest must be prepared to spend five or ten dollars per acre of the land cut over, or one to two dollars a cord for all wood cut. This would mean from two to four dollars per thousand feet of lumber, and one to two dollars per ton of paper. Not a large sum when we sit down and think about it. Not a very heavy price to pay for the results to be obtained, the stabilizing and making permanent in Canada of a great lumber and pulp and paper industry. The estimated loss from forest fires in one section of the Province of Quebec alone for this year is four million dollars, and the cost of patrol and fire fighting another three hundred thousand dollars. The loss from budworm damage for the Province of Quebec is estimated at 150,000,000 cords, which were worth standing at least one dollar per cord. Are not these amounts worth saving? The material destroyed cannot be replaced in less than one hundred years of intensive effect and with large expenditure.

If the situation is faced now we shall have a strong and permanent industry in Canada, contributing enormously to our export trade and growing larger as the years go on. The situation is in the hands of the stockholders of our companies, and they should look well to their interests and see that their directors take proper steps, at once, to safeguard their interests.

WORLD'S LARGEST MILL GOING UP AT KENORA

Brooks-Backus Interests Are Constructing Plant to Produce 1,000 Tons Daily

At Kenora, Ontario, work is under way on a newsprint mill that will eventually be the largest in the world, if the plans of the owners carry through. A daily production of 1,000 tons of newsprint paper is planned and this will be double the production of the Abitibi Power and Paper Company, whose plant at Iroquois Falls is now the largest anywhere.

American capital is being invested in the plant, which is being built by the Brooks-Backus Company, affiliated with the Fort Frances Pulp and Paper Company, under the same ownership. The owners are wealthy Minnesota pulp and paper operators and one of the principals, E. W. Backus, is well known in Canada.

Over two millions have already been spent on the power development at the site and in the erection of the initial units.

BIG DEVELOPMENT IN PAPER CERTAIN AT PACIFIC COAST

Six Groups of Capitalists Now Negotiating for Limits

PRODUCTION GROWS

In 1922 British Columbia Produced 125,000 Tons of Newsprint, Much Pulp and Paper of Other Kinds

BRITISH COLUMBIA hopes to step along at a more rapid pace in pulp and paper development in the future, to catch up with Ontario and Quebec.

Already a factor of importance in the industry, the fair Pacific Coast province sees itself on the threshold of more extended growth. Recently it was announced that no less than six groups of capitalists, chiefly American, were negotiating with the provincial government for the acquisition of timber lands under license to the end of establishing mills to manufacture pulp and paper. No definite arrangements have yet been reached with any of the groups, but the inquiries are indicative of the interest being displayed in the natural resources of British Columbia. These resources and advantages are so great as to give assurance of an important standing for British Columbia in the industry's development.

Resources Are Large

British Columbia's pulpwood resources are estimated at 285,000,000 cords and water power resources at minimum flow at 1,931,142 horse power. Only Quebec has larger pulpwood resources and only Ontario and Quebec larger water power resources. In addition British Columbia has the enormous attraction of many tide-water inlets adjacent to timber supply and water power, where mills can be established with docks for ocean-going vessels.

One of the important companies in British Columbia now is the Whalen Pulp and Paper Mills, which operates plants at Swanson Bay, Port Alice and Woodfibre. These plants produce sulphite pulp, but it is possible that newsprint units will be added in the not far distant future. The Powell River Company, which now produces sulphite pulp, groundwood and 225 tons of newsprint daily, is also planning extensions and will have an ultimate capacity of 400 tons daily. The Pacific Mills is the only other company manufacturing newsprint and it has a daily production of 220 tons. In addition, kraft paper to the amount of 30 tons daily is turned out.

Some of the Other Mills

Other mills in British Columbia include the Beaver Cove Lumber and Pulp Company, manufacturing 400 tons of sulphate fibre daily; the Prince George Pulp and Paper Company which is now being organized by Eastern Canada capital; the Western Canada Pulp and Paper Company which turns out kraft pulp; and the Westminster Paper Mills, which makes toilets, tissues, wrapping and similar paper products to the amount of 15 tons daily.

Pulp and paper production in British Columbia showed a remarkable recovery in 1922, especially in newsprint. The production of newsprint was 14,500 tons greater than in 1921, an increase of 13 per cent. Sulphite production was 18,000 tons or an increase of 20 per cent. Production figures in British Columbia for the past four years are:

Pulp—	1919 Tons	1920 Tons	1921 Tons	1922 Tons
Sulphite .	80,347	92,299	68,502	86,894
Sulphate.	9,473	16,380	6,519	9,674
Gr. wood.	99,769	108,665	89,725	100,759

The Finished Product

All the groundwood and 35,000 tons of sulphite were manufactured into newsprint, the product being:

Product—	1919 Tons	1920 Tons	1921 Tons	1922 Tons
Newsprint	123,607	136,832	110,176	124,639
Other papers	7,202	9,792	6,934	7,945

The value of the pulp and paper production of British Columbia for the past four years has been as follows:

1919	$12,554,257
1920	21,611,681
1921	13,500,000
1922	12,590,000

Tons Capacity

FOREST SURVEYS NOW MADE FROM PLANES

Ontario Used Machines for Mapping Out Forests South of James Bay

From Our Own Correspondent.

Forest surveys by aeroplane are now in vogue. During 1922 the Ontario government mapped out 13,500 square miles or 8,640,000 acres of lands south of James Bay. There were only 100 working days possible, but by the aid of aeroplanes the work was finished and the timber in the area accurately estimated.

Most of the work was done by direct mapping; that is the observers in the aeroplanes make sketch maps while in flight. But mapping by photography was tried out and is being developed. This would involve the taking of a series of pictures from a definite height which would be pasted together to form a mosaic map.

It was found that in the area surveyed about 17 per cent. had pulpwood resources. There were some 12.750,000 cords of pulpwood in sight of which about three million cords were in the northerly and more inaccesible regions.

Quebec too uses 'planes, says the provincial forester, G. C. Piche.

> "We shall use airplanes to help us in explorations, as they are of great assistance in locating the most timbered sections which can then be studied at length, whereas we can overlook the portions less timbered or practically bare, as a consequence of repeated fires or because of the altitude or the rigorous climate of the region.
>
> "This year, the work at Roberval Station has progressed in a satisfactory manner, and we will have a fine sketch of the forest located north of Lake St. John, in a section of the Chamouchouane river basin. The co-operation provided by the airships in the examination of the forests of the Natashcouane river was greatly appreciated. Thanks to the airplanes, we have also been able to rapidly locate the extent of the fire which, in 1921, devastated the country lying between the Toutnoustouc and St. Marguerite rivers, on the North Shore.
>
> "We have merely commenced using aviation, and naturally we will have to feel our way before being able to use it profitably, but the results obtained up to date are sufficient to illustrate its great utility in the exploration of remote territories and the location of fires."

BLOTTING PAPER
BOND, LEDGER & WRITING PAPERS

The Water Mark — MADE IN CANADA — that Guarantees Quality

—BY—

Howard Smith Paper Mills Limited
MONTREAL

Mills at BEAUHARNOIS, Que., CRABTREE MILLS, Que., GASPE, Que. and CORNWALL, Ont.

BY 1924 CANADA NEWSPRINT MILLS WILL HEAD U.S.A.

New Machines Help Canada Forge Rapidly to the Front

STATES NOW LEAD

Output of Mills South of Border Now Ten Per Cent. Ahead of Ours, But Canada Soon Will Lead

CAN IT be too often emphasized that the development of the newsprint industry in Canada is largely the result of the rapidly growing market for the products of the mills that is afforded by our proximity to the United States with its hundreds of daily newspapers and its wonderful growth of advertising? Coupled with this is the fact that the United States newsprint mills have scarcely increased their production of newsprint during recent years. There are many reasons why they cannot, chief among them being the lack of pulpwood and the lack of water powers on the scale that these are found in Canada. And so the Canadian mills win out in the race for leadership. They are forging to the front and it will not be many months before Canada's production of newsprint will equal and then surpass the production of newsprint in the United States. The point has not been reached but Canada is rapidly heading in that direction.

Comparing 1924 Output

Canadian newsprint mills now have an average output of about 4,000 tons per day. This is a conservative figure that could be reached the year round. American newsprint mills have an average daily production that is just 10 per cent. higher, about 4,400 tons per day. But there are new machines going in in both the United States and Canada. Considering only machines that are definitely planned and financed and in most cases actually under construction, there are additions of about 200 tons per day being made to the United States output of newsprint. And there are in Canada additions of about 650 tons per day under way. All of these in both Canada and the United States will be in operation by the end of 1924—probably within another twelve month period.

These new machines will make the respective daily output of the United States and Canada as follows:

Canada	* 4,665 tons.
United States	4,600 tons.

* Actual capacity will be more than 5,000 tons.

Thus before the end of 1924, possibly some months before the end of that year, Canada will have definitely assumed front rank on the continent in the production of newsprint.

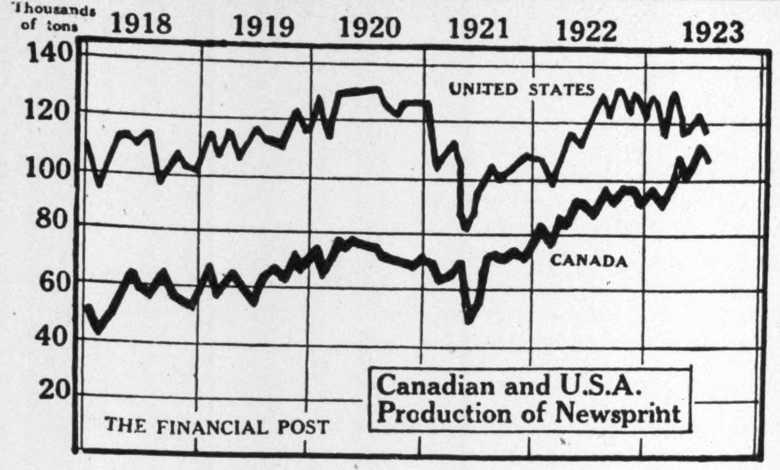
Newsprint Consumption Grows

Consumption of newsprint across the line has been steadily rising. Newspapers print much larger editions than ever before; Sunday editions have achieved an amazing popularity and have a tremendous advertising appeal. During this present year advertising has appeared in American newspapers in greater volume than ever before, even exceeding the records piled up during the hectic years of false prosperity of 1919 and 1920. Larger advertising lineage has required larger papers to carry it and in addition circulations of newspapers have advanced. It has been beyond the capacity of United States newsprint mills to supply the larger quantity of newsprint required by the newspapers of that country. The daily production of American newsprint mills has increased only about ten per cent. since the end of the war. In the same period the output of Canadian mills has increased by about 60 per cent.

To supply the demand the United States had had to import newsprint, either from Canada or from Europe. Imports of newsprint from Europe have been of minor importance. For a while they threatened to be a real element of competition for the Canadian product but they have not permanently displaced any Canadian newsprint in the United States. Finland, Norway, Sweden and Germany have shipped small quantities of newsprint monthly to the United States, but they have been meagre compared with the monthly exports of Canada across the border.

Back in 1913, before the war, the United States imported only about one-seventh of the newsprint it consumed. After the war the figure ran to about one-third. Now just short of one-half of the newsprint used in the United States is imported.

Canada has the water powers; the pulpwood supply; the experienced labor. Canada has the upper hand in the newsprint situation and is more likely to establish its position still further than it is to go back. Soon Canadian mills will have the absolute leadership in production. And then the exports of newsprint from Canada which in 1922-1923 had a value of $67,000,000 will attain even higher figures.



TEACH PAPER MAKING AND FOREST RANGING

Quebec Province is Establishing Schools of Training in These Subjects

Plans are progressing for the operation of a pulp and paper school in Quebec province, which was provided for at the last session and has been assented to by the Lieutenant-Governor by a recent Order-in-Council, authorizing preliminary steps.

It is learned that the new school, which is to prove such an asset to the pulp and paper mills, will be annexed to the technical school in Three Rivers. This point has been found most suitable for the purpose of the school, being in the centre of the pulp industry of the St. Maurice Valley.

While employed at the large mills in that city employes will have the opportunity of following theoretical and practical courses at the new school.

The forest rangers' school at Berthierville which is part of the curriculum inaugurated by the Government, will be opened in the first week in September.

INDUSTRY SHOWS A GRATIFYING IMPROVEMENT

(Continued from Page 17)

newsprint in the United States has led to a correspondingly large increase in the production of that grade of paper. The production of newsprint by Canadian mills for the first six months of the year amounted to 621,897 tons compared with a production of 516,506 tons in the first half of 1922; an increase of 20 per cent. Several new machines have come into operation in this period and the capacity of the Canadian mills is now over 4,000 tons daily.

In the production of fine papers, book, bond, and writing papers, there has also been a considerable increase over last year's figures, ranging from ten to eighteen per cent. Our exports of book paper in the first six months of the year were almost equal to the shipments for ten months of 1922 and shipments of bond and writing papers in this period were greater than the shipments for the whole of last year. Such an increase in these lines has been very welcome, since last year was a period of very poor business for the fine paper manufacturers, owing to the small demand and the keen competition in overseas markets. In this respect the fine paper mills are not in such a good position as the newsprint mills, since the domestic demand is limited by our comparatively small population and in the overseas markets severe competition is offered by England and the European countries. In Australia our products still have to contend with an adverse tariff which is not conducive to business between that country and Canada.

Less Competition Now

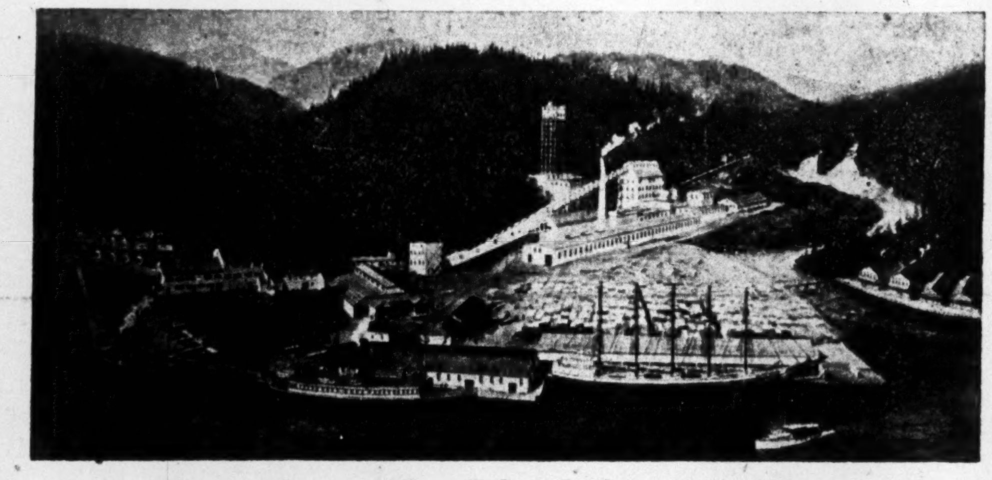
The increased production of finished paper has naturally had its effect upon the production of wood pulp, which has shown a corresponding increase over last year's figures. While the production of mechanical pulp is more or less closely related to the demand for newsprint, the production of chemical pulp depends largely upon the demand for the finer grades of paper. In 1922 the Canadian pulp mills had to meet severe competition in the United States market from the Scandinavian countries. This competition still continues but it has been modified to some extent by the loss of production in Europe owing to labor troubles and strikes. The Swedish mills suffered from lockouts and strikes for three months and this was followed by a strike in the Norwegian mills which lasted nearly a month. These troubles had a good effect in helping to maintain the level of prices which have remained fairly stable in contrast to the big drop in prices which took place last year.

The increased activity of the Canadian mills is reflected in our export figures. For the first six months of 1922 the total value of our pulp and paper exports was $53,101,085, while for the corresponding six months of the present year the value was $67,558,179. Our total exports of wood pulp in this period amounted to 396,233 tons compared with 332,053 tons in 1922; of newsprint 550,765 tons compared with 457,340 tons; of book paper 26,685 cwt., compared with 3,127 cwts., and of bond and writing paper 13,117 cwts. compared with 3,436 cwts. This substantial increase in our exports indicates a revival which is very welcome to the industry as a whole, and while the summer months are usually characterised by a lack of activity in the pulp and paper industry, present indications are for a resumption of a steady demand in the fall, which will be of material benefit not only to the pulp and paper industry but to Canada as a whole.

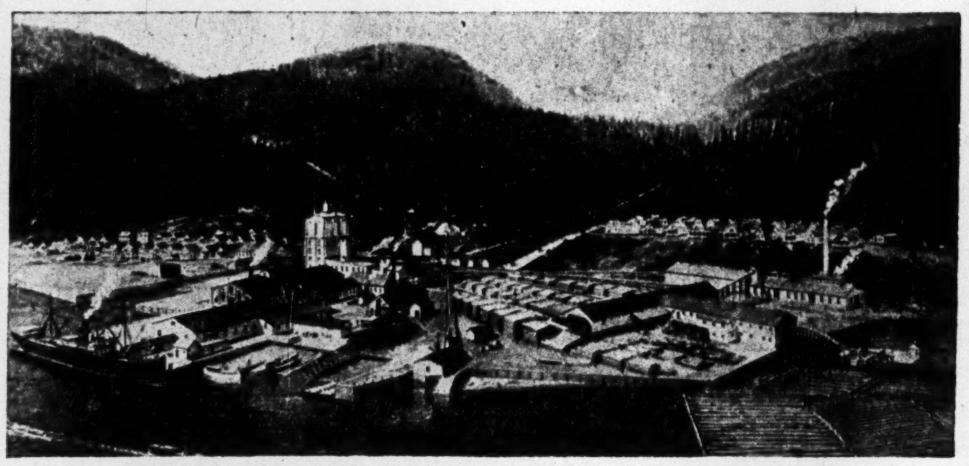
WHALEN

PULP and PAPER MILLS, Limited

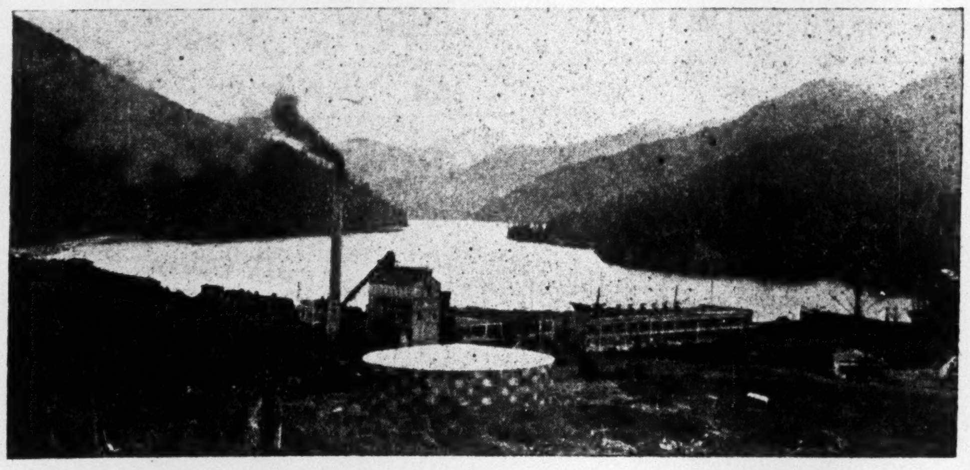
The Company's Mills



Plant at Swanson Bay, B.C. Daily capacity 50 tons.



Plant at Mill Creek, B.C. Daily capacity 120 tons.



Plant at Port Alice, B.C. Daily capacity 100 tons.

These three photographs show the modern plants of the Whalen Pulp and Paper Mills, Limited, in British Columbia.

The plant at Mill Creek has its own hydraulic power development supplying 3,000 h.p. In this modern plant is produced easy bleaching sulphite pulp to the approximate amount of 36,000 tons per annum. Red cedar shingles are also produced at the Mill Creek plant.

At Swanson Bay is a plant with a daily capacity of 50 tons, or 14,000 tons per annum. Here also is produced strong bleaching sulphite pulp and red cedar shingles in addition to many million board feet of the highest grade lumber. There is ample water power available, the ultimate capacity being over 15,000 h.p.

The Port Alice mill has a daily capacity of 100 tons, equal to more than 28,000 tons of bleached sulphite pulp per annum. There is water power available for an ultimate development of 20,000 h.p.

All of these plants are of steel and concrete and have been built with an eye to expansion at future dates.

THE WHALEN Pulp and Paper Mills, Ltd., operating in British Columbia, has made rapid progress since its incorporation five years ago and is now regarded as one of the leaders in the industry in Canada. Already it is the second largest manufacturer of easy bleaching and bleached sulphite pulp in Canada.

The company's activities are not restricted to the pulp and paper industry. Its three plants produce spruce and fir lumber, Red Cedar shingles and spruce and hemlock boxes.

The company was incorporated in 1917 to acquire the entire assets and undertakings of the British Columbia Sulphite Fibre Co., the Empire Pulp and Paper Mills, Ltd., and the Colonial Lumber and Paper Mills, Ltd. All of these companies had been in operation for some years previously. The three mills are located in the centre of the world-famous Sitka spruce belt, where there is an abundance of the finest pulp wood in the world. From this advantageously located raw material is manufactured the very highest grades of sulphite pulp. The three brands are Bleached Sulphite known as "Snowhite"; Easy Bleaching Sulphite or "Glacier" Brand and Strong Sulphite which has been given the trade name of "Swan."

The yearly capacity of the three plants of the Whalen Pulp and Paper Mills, Limited, is as follows:

81,000 tons Sulphite Pulp.
60,000,000 ft. Spruce and Fir Lumber.
75,000,000 ft. Red Cedar Shingles.
35,000,000 ft. Spruce and Hemlock Boxes.

The company controls under lease from the British Columbia Government 155,000 acres of the finest timber lands, estimated to contain 5 billion feet of timber and in addition 10,000 acres of land from other interests which add another billion feet to the standing timber resources of the company. All of these leases have been arranged on most satisfactory terms.

The plants are operated by hydraulic electric power which is developed by power houses owned by the company. Each of the mills is situated on tide-water with wharf accommodation for ocean-going vessels. Thus the company is able to take full advantage of the export market and has already built up an extensive trade with Japan and other nations. The company is directed by a board of directors that includes outstanding men in the world of finance and business. Their control and management is assurance that the company will exploit to the limit the remarkable advantages its timber resources, water power development, tide water location and modern mills give to it. Whalen's future is certain to be successful.

BOARD OF DIRECTORS

Hon. T. W. McGarry, K.C.	Toronto	Mr. T. F. Cole	New York
Mr. W. D. Ross	Toronto	Mr. James Whalen	Port Arthur
Mr. M. J. Haney, C.E.	Toronto	Mr. A. H. Douglas	Vancouver
Mr. I. W. Killam	Montreal	Mr. Lawrence W. Killam	Vancouver
		Mr. Walter Maclachlan	London, Eng.

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Hon. T. W. McGarry, K.C.	President	Toronto
Mr. W. D. Ross	Vice-President	Toronto
Mr. P. S. Curtis	Secretary-Treasurer	Vancouver
Mr. W. L. Reed	Assistant-Secretary	Toronto

Vancouver - - British Columbia

PAPER INDUSTRY IMPORTANT APART FROM NEWSPRINT

Canada Has Extensive Manufactures of Higher Grades of Paper

EXPORTS AND IMPORTS

Gains Made in Exports of These Papers Have Not Been Held But Exports Are Important

So much attention is paid to the newsprint mills that one is apt to overlook the other paper industries of Canada—the mills manufacturing wrapping papers, book papers, such as are used in magazines and books; bond; ledger and writing papers and many specialty lines. These mills are in many cases smaller than the gigantic newsprint mills; they are often privately owned and attract the attention of the investors only to a small degree and their product is not so largely of export importance. They are for these reasons not so much discussed as the big mills turning out newsprint. Some of them are known to investors; Wayagamack, Howard Smith, Provincial, and Brompton, for instance.

The production of the book and writing paper mills reached as high as 73,196 tons of paper in 1920. This was only about 8 per cent. of the tonnage produced by the newsprint mills, but the value of the products was $21,868,807 or 25 per cent. as much as the value of production of newsprint. In 1921 the production had declined to 53,530 tons of book and writing paper but 1922 and 1923 have again seen important increases in production of book paper, production totalling 64,808 tons, valued at $12,560,5044.

Some of the Mills

Some of the important mills manufacturing book and writing papers are Howard Smith Paper Mills, Provincial Paper Mills, Rolland Paper Company, Canada Paper Company, E. B. Eddy and Company, Lincoln Mills, and the Kinleith Paper Mills.

These mills meet with some competition from foreign papers. Imports of book and printing papers have been as follows over a term of years:

Imports of Book Paper

	lbs.	Value
1918	5,242,989	$453,175
1919	6,259,327	613,052
1920	5,434,828	615,999
1921	7,322,831	955,979
1922	5,145,500	455,530
1923	6,548,503	500,622

The imports in 1923 had a value of over $500,000. About eighty per cent. of the product came from the United States. However, British paper is coming more and more on the Canadian market and imports are growing more rapidly than the imports of American papers.

Canada has also built up a small export trade in these higher grades of paper. After the war, when there was a world shortage, our paper exports made gains that have not been held. The one mill that is most active in the export trade has gone after the business chiefly to bring its production up to the efficient capacity of its mills and thus to reduce per unit costs of production rather than because of the profit in the business. Exports of book and writing paper and bond and writing during the past few years have been as follows:

Exports of High Grade Papers Bond and Writing

	Cwt.	Value
1918	None	None
1919	None	None
1920	27,157	$315,481
1921	60,558	989,068
1922	6,497	84,125
1923	18,439	194,280

Exports of Book Paper

	Cwt.	Value
1918	None	None
1919	None	None
1920	47,573	$436,330
1921	65,194	779,763
1922	17,362	201,764
1923	43,626	298,596

Wrapping Paper and Kraft

Wrapping paper, kraft, bag paper, etc., comprise an important section of Canadian paper products. They are made by the Wayagamack Pulp and Paper Company, Brompton Pulp and Paper Company, Eddy's Canada Paper, Dryden Paper and a number of other companies. In 1920, Canada produced 77,292 tons of wrapping paper valued at $12,161,303. In 1921 production totalled 55,898 tons, and in 1922, 81,793 tons, valued at $8,219,841. Imports are large and in 1923 reached the peak. Imports were as follows of wrapping paper:

Imports of Wrapping Paper

	lbs.	Value
1918	4,334,274	$218,868
1919	5,696,059	330,171
1920	5,259,482	511,136
1921	6,785,824	759,320
1922	4,063,613	266,063
1923	9,005,749	549,239

Canada has a favorable balance of trade in wrapping paper, largely because of the importance of producing kraft paper in this country by such mills as Wayagamack and Dryden. Exports of wrapping paper, including kraft, have been as follows:

Exports of Wrapping Paper

	Cwt.	Value
1918	237,924	$1,294,725
1919	325,792	2,452,296
1920	362,682	2,917,197
1921	340,946	3,672,780
1922	162,625	1,264,654
1923	391,100	2,887,376

Outside of newsprint, wrapping, and the finer grades of paper, another important product of Canadian mills is "board." Production, which ran to 158,041 tons in 1920, valued at $12,904,662, was 89,114 tons in 1921, and 113,200 tons, valued at $7,003,081, in 1922.

Over $130,000 000 Invested in Companies Making Pulp

Their Big Market is the United States—Would an Embargo on Pulp Exports From Canada Seriously Affect Their Business?

WILL Canada ever go so far as to prohibit the export of pulp from this country? This is a question that is suggested by the proposed embargo on export of pulpwood. If Canada finally decides to prohibit the export of the raw material, might we not go further and prohibit the export of the semi-finished product? The aim would be that the natural resources of Canada in the shape of timber should be made into the finished product, paper, entirely within this country.

There can be no two opinions on this subject and certainly Canada has not developed to the stage when either public opinion or present economic necessity demands such a drastic measure. But it is a conceivable measure for future adoption and some consideration of the relation of the pulp manufacture to the pulp and paper industry in Canada would be of value.

Paper Mills and Pulp Mills

There are many mills in Canada that turn out the finished product, complete, after having carried through every process from the cutting down of the trees to the wrapping and the shipping of paper ready for writing, wrapping or printing. But there are on the other hand many mills that manufacture pulp only, either for sale to Canadian mills or for export to the United States and other countries. There are forty pulp mills in Canada as against thirty-three paper mills and twenty-seven mills that are engaged in the business of making both pulp and paper.

The pulp mills have a total capital of $133,554,147 as against $22,622,212 in paper mills and $223,636,392 in pulp and paper mills.

Largely an Export Business

The mills manufacturing pulp only manufacture largely for export to the United States. In 1920, the latest year for which final definite figures are available, of the 680,000 tons of wood pulp made by these mills 590,000 tons were exported. Thus at first we have the seeming danger that if the prohibition of the export of pulp is put into effect that an industry representing a capital investment of over $130,000,000 is immediately in danger of losing the market to which almost 90 per cent. of its product is exported—that is the export market.

Canada's exports of pulp have shown a very large increase. But statistics indicate that the growth of pulp exports from Canada has not been as rapid as the growth of paper exports. In 1913 Canada exported $5,509,544 worth of pulp and in 1923, $42,986,948, or about eight times as much. In the same period the paper exports grew from $6,341,088 to $79,567,941 or thirteen times as much.

In 1913 pulp exports formed about 50 per cent. of the total pulp and paper exports of Canada and in 1923 just a little over 30 per cent. In other words the very end that would be had in prohibiting the export of pulp from Canada is already being attained by the natural development of the paper industry. Many mills that formerly produced pulp only have installed a newsprint and other types of machines and are completing the finished product for export themselves.

The Different Products

There are a number of kinds of pulp manufactured in Canada and exported. Groundwood pulp, which is the chief constituent of newsprint paper, forms the largest part of the 2,150,251 tons of wood pulp that was produced in Canada in 1922. A total of 1,241,185 tons of groundwood pulp was produced. The wood pulp produced in that year and the uses to which it was put is shown in the following table.

Production 1922

	Tons
Groundwood pulp	1,241,185
Soda fibre	793
Sulphite, bleached	146,690
Do., unbleached	532,188
Sulphate	217,862
Screenings	11,533
	2,150,251
Made for own use	1,188,581
Made for sale in Can.	222,770
Made for export	738,900

Groundwood Pulp

	Tons
Made for own use	888,783
Made for sale in Canada	47,812
Made for Export	304,590
Total	1,241,185

Soda Pulp

Made for own use	793
Made for sale in Canada	None
Made for export	None

Sulphite, Bleached

Made for own use	7,248
Made for sale in Canada	73,370
Made for export	66,072
Total	146,690

Sulphite, Unbleached

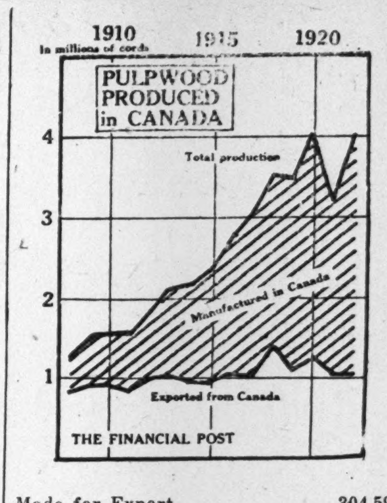
Made for own use	242,832
Made for sale in Canada	83,872
Made for export	205,484
Total	532,188

Sulphate

Made for own use	48,611
Made for sale in Canada	12,752
Made for export	156,499
Total	217,862

Screenings

Made for own use	314
Made for sale in Canada	4,964
Made for export	6,255
Total	11,533



U.S.A. Our Chief Market

The United States is the chief market for Canadian wood pulp and absorbs about 85 per cent. of our total exports. We ship some sulphite pulp to Japan and a certain amount of all grades of pulp to the United Kingdom, and France. In the fiscal year 1921, Canada shipped wood pulp to a great many different nations but this trade has not been held in many cases.

Some figures on the export of pulp from Canada by classes are shown in the following table:

Exports of Pulp, 1923

	Value
Sulphate, (kraft)	$ 9,262,393
Sulphite, bleached	13,073,289
Do., unbleached	11,098,374
Groundwood	9,552,892
Total woodpulp	$42,986,948

It is evident that the manufacture of pulp is a gigantic industry in Canada altogether apart from the paper industry. The possible effect of the prohibition of the export of pulp on such industries would have to be seriously considered before any step could be taken. Of course it is true that such an embargo would mean the establishment of sufficient mills in Canada to absorb the entire quantity of the pulp now produced and if a sufficient length of time was allowed for the working out of the arrangements there might not be any serious hardships anywhere. The fact that Canada controls the supply of pulp and has as well such quantities of cheap power makes it in a position to dictate its export policies in pulp as well as pulpwood.

ABITIBI READY FOR FIGHTING THE FIRES

Company Supplements Work of Government Fire Service With Men and Equipment

Abitibi Power and Paper Company,, Ltd., has had an efficient fire service in operation all spring and summer, and it is likely that other companies will follow suit in this respect. The company's woodmen supplement the Government's fire service throughout the limits, and especially along the railway tracks, where the danger of fire is the greatest. The company's fire rangers, in fact, are under strict written orders to take their instructions from the Government rangers in case a fire breaks out, and supply them with all available equipment. In such an vent the company rangers, the pumps, tanks and all other appliances would be automatically under the orders of the Government rangers in charge. Among the company's, precautions against fire is a tank car with a capacity of 7,000 gallons and 2,000 feet of hose. There is also a pump with a capacity of 55 gallons per minute that goes along the line. Additional hose can be loaded on a speeder and sent to any place on the line. From a look-out tower, fifty feet high, situated on the top of a rocky hill, a view can be secured of the surrounding country in every direction for a distance of twenty miles. A pair of the very finest field glasses is at this point for the use of the rangers. Both of the company's rangers carry chemical fire extinguishers on their cars. Large signs in French and English at various points warn strangers of the danger of fire and how to avoid such a contingency.

The Canadian National Exhibition costs $700,000 each year to stage and produce aside from the tremendous sums spent by the exhibitors to prepare their displays.

BROMPTON

BROMPTON PULP & PAPER CO. Ltd.
Mills at:—
East Angus, Quebec
Bromptonville, Quebec
Sales Dept:— East Angus, Quebec
KRAFT & FIBRE PAPERS — CONTAINER BOARDS — PULP BOARDS — LUMBER

CLAREMONT PAPER CO., Incorporated
Mills at:—
Claremont, New Hampshire
Bellows Falls, Vermont
Sales Dept:— Aeolian Bldg., New York
CLAREMONT KRAFT *for* BAGS, ENVELOPES AND WRAPPING

GROVETON PAPER CO., Incorporated
Mills at:—
Groveton, New Hampshire
Sales Dept:— Aeolian Bldg., New York
BLEACHED and UNBLEACHED SULPHITE PULP — SULPHITE BONDS — MANILLA AND FIBRE PAPERS

PULP & PAPER

Water Power Resources Linked Strategically With Pulp Wood

Great Area of Fresh Water Lakes Responsible to Some Degree for the Hydraulic Possibilities of the Dominion—Great Natural Resources Are Basis of Industry

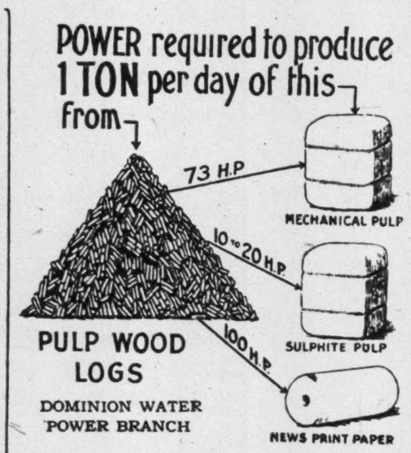
CANADA is known to have a greater fresh water area than the rest of the world put together. There are more than 120,000 square miles of lakes in Canada. This includes only the portion in Canada of such international lakes as the Great Lakes. It is in this storage of water that Canada has the basis of its water power resources. So great are these water power resources that even to-day, after the years of study and analysis by government and private engineers, the estimates that can be offered as to their true extent, is not by any means complete. The full story is yet to be told.

The pulp and paper industry has benefited a great deal from an abundance of water power in Canada. More than 25 per cent. of all water power developed in Canada is used by the pulp and paper industry. There are 113 pulp and paper mills in Canada operating by water power. That it should be so is easily recognized, for most people now know that it takes practically 100 h.p. to produce one ton of paper per day. The two essentials to a successful pulp and paper development are an abundant supply of growing pulpwood and cheap accessible motive power in large quantities. Fortunately in Canada the great pulpwood reserves and the great water powers are found close together. Quebec, which has the largest amount of pulpwood resources, has the largest amount of water power. British Columbia and Ontario, which have important pulpwood resources, have as well, large developed and undeveloped water powers. These in many cases are located convenient to suitable sites for paper mills. Nature has by joining these two natural resources together, built a fine foundation for the pulp and paper industry in this country.

Cheap power, well located, is one of the most important reasons why Canada's pulp and paper industry is today the largest export industry in the country.

Power Used by the Mills

A total of 644,805 hydraulic horse power is used by the pulp and paper companies in Canada. Of this total 484,228 horse power is developed by the industry itself. The remainder is acquired by purchase from other companies, chiefly the power companies.



Quebec and Ontario have been pointed out to possess the largest pulpwood areas in Canada and the location of water powers in the provinces has led to the use of 320,192 h.p. in the industries in Quebec and 243,146 h.p. in Ontario. Other provinces using water power in the pulp and paper industry includes British Columbia with 48,800 h.p., New Brunswick with 14,668 h.p. and Nova Scotia with 17,900 h.p.

Water power development and pulp and paper mills are linked together. The Abitibi Power and Paper Company was organized to exploit an important water fall in Northern Ontario and has used this energy to construct the largest newsprint mill in Canada. The St. Maurice valley in Quebec, where are located the power developments of the Laurentide Power Company, the Shawinigan Water and Power Company, the new St. Maurice Power Company and some smaller developments, has also the mills of Wayagamack, St. Lawrence Paper Company, St. Maurice Paper Company, Laurentide Company, Belgo-Canadian Paper Company and others. Likewise the water power developments of Price Brothers and their paper mills are linked together.

Some of the New Projects

During the past year there have been a number of new water power projects that have been linked with pulp and paper developments. At Kapuskasing on the Kapuskasing River in Ontario, the Spruce Falls Company have under development an initial installation of 2,500 h.p. to supply power to their pulp mill at that place.

In Northwestern Ontario at Kenora, the Backus Brooks Company have completed the installation of 4,800 h.p. in the power development at the outlet of the Lake of the Woods formerly owned by the town of Kenora. Plans contemplate the addition of new units during the present year which will bring the total installation to 10,800 h.p. This company is a large operator in the pulp and paper industry in northwestern Ontario.

In the same district also the Dryden Paper Company commenced construction of a new plant at Wainwright Falls on the Wabigoon River, northwest of Dryden.

Other Developments Under Way

There are a number of important developments in the Province of Quebec which were only indirectly related with the pulp and paper industry. The largest one, on which final, definite arrangements have recently been made with the Quebec government, is that of the Quebec Development Company on the Saguenay River at the outlet of Lake St. John. The present development is to have a capacity of 350,000 h.p., of which 200,000 h.p. is to be ready in five years. Lake St. John, whose storage possibilities have been thoroughly investigated by the Quebec Streams Commission, is to be used as a storage reservoir in connection with the project, a total storage of 10 feet on the lake being feasible. This project is backed by interests connected with Sir William Price of Price Brothers and James B. Duke, American tobacco magnate.

How the Provinces Line Up

It is a close fight between Ontario and Quebec for leadership in Canada's pulp and paper industry, with Quebec holding the edge because of its leadership in the production of pulp, such as groundwood, sulphite and sulphate.

Quebec has $191,514,809 invested in the industry, as against Ontario's $133,749,634.

Quebec employs 12,549 men in the industry, as against Ontario's 8,136.

Quebec leads in pulp production with 1,088,205 tons, as against Ontario's 726,308 tons, the valuation being $43,329,740 for Quebec and $27,263,674 for Ontario.

But Ontario is ahead in the production of paper and proudced 648,438 tons last year valued at $50,927,499, as compared with Quebec's 587,777 tons valued at $45,866,028. Ontario produced the most newsprint, the most book and writing papers and the most boards. Quebec produced the most wrapping paper.

British Columbia ranks a good third in all lines. British Columbia has invested capital of $32,763,965. It produced in 1922, 198,426 tons of pulp valued at $6,982,125 and 130,600 tons of paper valued at $9,469,551. The industry employed 2,325 men.

New Brunswick had invested capital of $16,310,952. Pulp produced amounted to 99,750 tons valued at $6,205,312, there being no paper mills in the province until 1923. There were 1,230 employees.

Nova Scotia is the only other province with a pulp or paper industry. It had capital invested of $6,667,234; employed 1,230 workers and produced 37,562 tons of pulp valued at $1,166,747, and no paper.

What Will the Stock Market Do?

(Continued from page 19)

ments in the past, and do not necessarily mean that when the country is in a period of depression that they can continue to increase. In fact they are more liable to decrease, especially as Sunday papers are bought largely by the laboring classes, and only when they are earning large wages, as they have been doing of late.

"It is well to remember also that the price of lumber in Canada fluctuates sharply with the ups and downs of general business. The price of newsprint has of course proven to be much less erratic than that of lumber, but it is subject to the laws of supply and demand and does fluctuate in accordance therewith, but is less spectacular. It is also well to note that the price of newsprint is about 200 per cent. above pre-war level, and therefore is in line for much greater re-adjustment than many other products that have been violently liquidated. This re-adjustment in price will come regardless of the stragetic position the Canadian producers hold in regard to supply of pulpwood and water power.

"Therefore in summing up the effect of present conditions in the United States, I would like to emphasize, that a curtailment in demand there will affect our production, will eventually lower the price, and mean the readjustment of our industry to lower price levels, which will be in line with the prices of other manufactured goods.

"The effect of this on stock market prices will of course be detrimental. It does not mean that a break in prices will come immediately, but investors should be very careful in making future committments in pulp and paper securities, except of course in the bonds of the old established companies which have successfully pulled through other periods of depression."

All of which is far from encouraging to the man who is holding pulp and paper stocks and who is interested in week to week, if not in day to day inflations.

A More Optimistic View

Now for the other side of the picture. During the past few months most of the pulp and paper stocks have shown some decline and they are yet below the high point reached last fall. In fact to-day they stand just about where they were a year ago, reflecting none of the improved business of the past year. If there is any inflation in the market prices, it certainly has not come during the past year.

This observer too seems to overlook the fact that the cause of the companies' troubles in 1920 and 1921 was not so much the falling off in demand for their products as over extension, heavy inventories and large bank loans. It was difficult to raise the necessary working capital, especially as the heavy inventories meant very heavy losses. As one investment banker puts it: "In fact, it was more on account of their then weak financial position than because of falling off in earnings that several of them were forced to reduce or discontinue dividends, as taken all in all, particularly in the case of the newsprint producers, their earnings were fairly well maintained during the 1921 slump. However, this period afforded a very good test, and it is more than probable that dividends which were maintained during that period will not be reduced, particularly as most of these companies have long since worked off their high priced wood and have reduced bank loans to reasonable dimensions."

He also says: "There is one feature in connection with the industry, the importance of which cannot be overestimated, viz., the fact that Canadian manufacturers have as a general rule an advantage over the United States owing to lower wood costs and cheaper power, so that the industry requires no tariff protection."

Regarding Newsprint Prices

And again it may be pointed out regarding the newsprint companies particularly that there is no need to consider the present price of their product as inflated. The price at which newsprint sells is determined more by American than Canadian conditions. The American mills set the price and the Canadian mills follow to a large extent. And the United States mills are not making much profit on newsprint at the present price. Some of them, if annual statements tell a true story, are losing heavily. They cannot afford to sell their product at under present levels. There might have been an increase of $5 or $10 a ton in newsprint, but most of the mills declined to allow the higher figure. Thus they staved off inflation in prices. Lower prices are likely to come only with lower costs in the American mills or greatly increased production in Canadian mills, above the possible power of the market to absorb.

These are some comments on the market conditions from two different angles. "You pay your money and you take your choice."

ONTARIO WILL HAVE ANOTHER KRAFT MILL

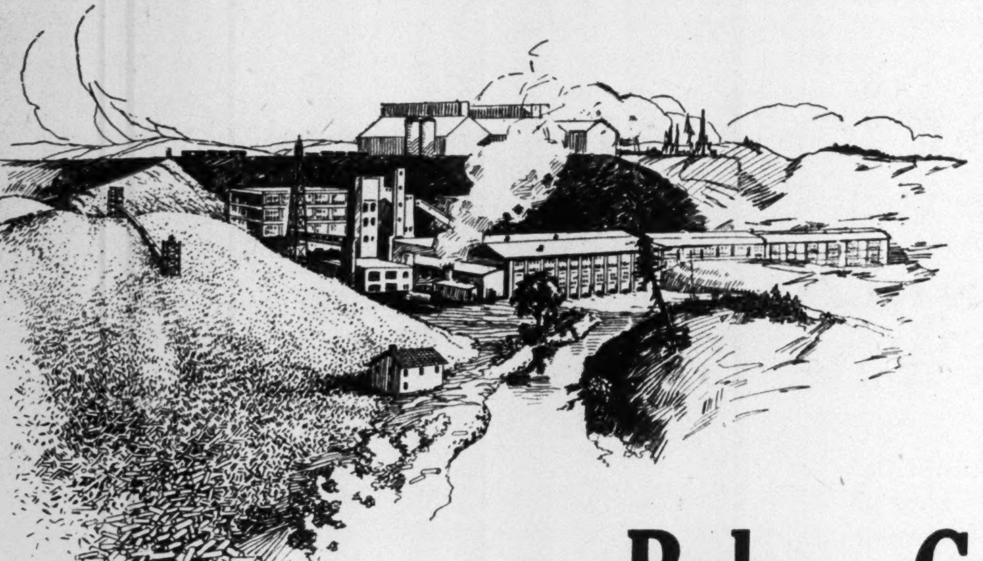
A new kraft pulp mill for Ontario with a daily capacity of 75 tons is assured by the recent leasing of a large area of timberlands in Northern Ontario to a Canadian company controlled by American capital. The government in leasing the limits also reserved the right to require the establishment of a paper mill of 50 tons daily capacity.

Continental Wood Products Co. recently was granted timber rights on 1,049 miles of timber limits in the Sudbury district of Northern Ontario by an agreement with the Ontario government, under which the company undertook to establish and have in operation by 1925, a pulp mill worth $1,500,000.

The International Paper Company through a series of subsidiary companies controls the Continental Wood Products Company. The company is now operating at Elsas a modern plant for the manufacture of lumber and lath with an annual capacity of 10,000,000 feet; also a wood preparing plant with an annual capacity of 30,000 cords. Its timber has been obtained from 48,000 acres of freehold timber limits estimated to contain 400,000 cords of spruce and other pulpwood. In addition timber rights on 51,480 acres of additional land are leased from the Ontario government. These timber holdings have now been supplemented by the new acquisitions from the Ontario government for the establishment of the kraft mills at Elsas.

Price Brothers Mill to be Second Largest

There are two companies in the United States whose production of newsprint exceeds the largest of the Canadian mills. The leader on the continent is the International Paper Company, which is credited with a capacity of 1,006 tons daily, in addition to which it manufactures other grades of paper. The second largest is the Great Northern Paper Co., of Millinocket, Maine, with 740 tons daily capacity. Outside of these, two Canadian mills, Spanish River and Abitibi, have larger outputs and Price Bros. will have as soon as their new projects are under way. Indeed, with the proposed addition of 900 tons daily, Price Bros. will rank first in Canada and second only to the International Paper Co.



Belgo Canadian Paper Company
Limited

Shawinigan Falls
Quebec, Canada

Manufacturers of

Newsprint,
Sulphite,
Groundwood
Lumber

Yearly Output of
NEWSPRINT PAPER
(after 1923)
115,000 Tons

SAGUENAY--Working Out Clearer Relations

Never was a company more mystifying for the investor than Saguenay Pulp and Power Company. This is because of the intricate inter-relationship of the company with various subsidiaries, a chain of financial arrangements that is difficult for those in close touch with the company's affairs to keep up with. These arrangements are now being clarified by various funding plans that are gradually being worked out.

Saguenay has sold some of its smaller subsidiary interests, a telephone company, an electrical distributing company, etc., that were essential to the establishment of a group of companies in the Lake St. John district of Northern Quebec but which have lately been a bother. It has placed its sulphite mills, the Ha! Ha! Bay Company and the St. Lawrence Pulp and Lumber Company, together under the Bay Sulphite Company that now stands on its own footing. It is rapidly paying off a number of its bond issues, clearing the decks for further financing when required.

A newsprint mill is under consideration for the principal subsidiary, the Chicoutimi Pulp Company, although it may be financed by an independent subsidiary.

Most of the company's products in groundwood and sulphite are marketed under contract with Becker and Company, the large firm of English paper-makers and distributors, who have taken an active hand in the management and control of the Saguenay enterprises.

Below is given an outline of the financial structure of the Saguenay Pulp and Power Company. This has been carefully prepared for this issue and gives a fairly clear idea of the relationships of the different companies.

CAPITALIZATION

	Par	Outstanding
Preferred	$5	$3,500,000
Common..	5	4,350,000

In addition $1,650,000 of common stock is owned by the Chicoutimi Pulp Company.

Preferred dividends were 27½% in arrears at Dec. 31, 1922.

Bonded Indebtedness

6½% serial bonds, 1922-1934	$5,183,500
7% coll. trust bonds, 1923-1927	2,526,100*

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*Of these $1,473,600 were bought by Becker & Co. The original issue was for $3,200,000, of which $640,000 were paid July 1st of this year. To redeem these bonds and pay interest charges $10 a ton is deducted from selling price of mechanical pulp and placed in trust.

Directors—Hon. F. L. Berque, president; Hon. N. Garneau, Hon. J. M. Wilson, Joseph Quintal, Arthur Hastings, John T. Steel, G. R. Hall Caine, M.P., and A. M. Irvine.

Profit and Loss

(No statement available for 1922)

	1920	1921
Sales and gross rev.	$8,984,238	$5,882,138
Selling and op. exp.	5,179,818	3,455,976
	$3,804,420	$2,426,162
Add other income .	13,933	6,911
	$3,818,353	$2,433,073
Interest, etc.	1,029,183	1,215,359
Res. for deprec. ..	1,201,665	624,081
Misc. deductions ..	219,132	......
Written off invent.	......	528,652
Surplus for year .	$1,368,373	$ 64,981

In 1921, an additional sum of $1,260,827 was written off inventories, but as this applied to sulphite pulp on hand at the end of 1920 it was charged to surplus account. A fair comparison of the past three years after deducting this figure from 1920 profits would be:

1919 profits	$ 33,651
1920 profits	107,546
1921 profits	64,981

SUBSIDIARY COMPANIES

The Saguenay Pulp and Power Company is a holding company only, holding stock in the companies listed below:

Chicoutimi Pulp Company

CAPITALIZATION

Preferred	$3,000,000
Common	400,000

All owned by Saguenay Pulp & Power Company.

Bonded Indebtedness

	Outstanding
6% 1st mtge. due 1934 ..	$4,288,940

of which $2,453,940 is held by the Saguenay Pulp and Power Co.

Plant—Company operates groundwood pulp mills at Chicoutimi and Val Jalbert with a capacity of 120,000 tons of groundwood pulp per annum.

The Chicoutimi Pulp Company owns 45 per cent. of the common stock of the Bay Sulphite Company which is described elsewhere in this issue.

ROBERVAL AND SAGUENAY RLY.

Another subsidiary of the Saguenay Company.

CAPITALIZATION

Preffered 6%	$800,000
Common	500,000

All held by Saguenay.

Bonded Indebtedness

6% 1st mtge.	$1,330,000

All held by Saguenay Pulp & Power Co.

Mileage—Company operates a railway, part electric and part steam, in Chicoutimi and Ha! Ha! Bay district. It owns its own rolling stock and equipment.

THE LIGHT AND POWER COMPANY OF SAGUENAY

Another subsidiary of the Saguenay Pulp and Power Co.

CAPITALIZATION

All held by Saguenay.

Common	$400,000

Bonded Indebtedness

7% 1st mtge. due 1944	$1,500,000

All held by Saguenay.

Properties—Company has developed 38,900 horsepower and controls power sites capable of developing another 66,400 h.p.

CHICOUTIMI FREEHOLD ESTATES

A fourth subsidiary of Saguenay.

CAPITALIZATION

Common	$1,200,000

All held by Saguenay.

Bonded Indebtedness

1st mtge. 6% due 1929	$676,500

Controls important timber limits in Peribonka and Manovan districts.

CHICOUTIMI PORT CO.

Controlled by Saguenay.

CAPITALIZATION

Preferred	$100,000
Common	125,000

Bonded Indebtedness

$122,000 of common held by Saguenay.

5½% 1st mtge. bonds due 1940	$350,000

Properties—Company owns wharf, tugs and port equipment at Port Alfred, P.Q.

Now $400,000,000 Invested

LET THE figures of the Dominion Bureau of Statistics tell of the present position of the pulp and paper industry in Canada. The figures are from the latest issued report; that covering the operations for 1922.

The number of pulp mills, pulp and paper mills and paper mills in Canada, and their distribution are shown as follows:

Paper mills	33
Pulp and paper mills	28
Pulp mills	43

The capital invested in the industry by provinces and with comparative figures for 1911, a period just eleven years before, is indicated in these tables:

	1911	1922
Brit. Columbia .$	None	$32,763,965
Ontario	17,786,888	133,749,364
Quebec	32,590,986	191,514,809
New Brunswick .	2,675,059	16,310,952
Nova Scotia . . .	644,000	6,667,234
	$53,696,933	$381,006,324

It is now estimated that there is well over $400.000,000 invested in the pulp and paper industry in Canada.

The production of wood pulp by provinces and by classes of pulp is shown in the following table:

Kinds of Pulp by Provinces

	Total Production Quantity Tons	Total Value
Brit. Columbia	198,426	$6,982,125
Groundwood	100,483	1,771,178
Sulphite, blchd. .	24,077	1,547,963
Sulphite, unblchd.	63,997	2,999,699
Sulphate	9,869	663,285
New Brunswick ...	99,750	6,205,312
Groundwood	6,879	201,712
Sulphite, blchd. ..	47,898	3,758,007
Sulphite, unblchd.	27,221	1,388,637
Sulphate	16,583	846,516
Screenings	1,169	10,440
Nova Scotia	37,562	1,166,747
Groundwood	37,562	1,166,747
Ontario	726,308	27,263,674
Groundwood	483,664	12,655,780
Sulphite, blchd. ..	30,458	2,505,462
Sulphite, unblchd.	196,392	11,330,995
Sulphate	13,150	697,305
Screenings	2,644	74,132
Quebec	1,088,205	43,329,740
Groundwood	612,597	15,284,012
Soda	793	57,815
Sulphite, blchd. ..	44,257	3,880,472
Sulphite, unblchd.	244,578	13,503,038
Sulphate	178,260	10,436,498
Screenings	7,720	167,905
Canada	2,150,251	84,947,598
Groundwood	1,241,185	31,079,429
Soda	793	57,815
Sulphite, blchd. ..	146,690	11,691,904
Sulphite unblchd.	532,188	29,222,369
Sulphate	217,862	12,643,604
Screenings	11,533	252,477

Of the total production of 1,549,082 tons an amount of 581,200 tons was made for export; 870,543 tons were made by mills to be used in paper making in their own plants and 97,339 tons were made by pulp mills and sold in Canada.

The production of the various varieties of paper in Canada in the same year was as follows:

Kinds of Paper by Provinces

	Quantity Tons	Selling Value
British Columbia ...	130,600	9,469,551
Newsprint	124,555	8,842,350
Wrapping	6,045	627,201
Ontario	648,438	50,927,499
Newsprint	499,201	36,121,510
Book and writing	43,275	7,539,853
Wrapping	18,283	1,675,187
Boards	80,605	4,492,291
Other paper	7,074	1,098,658
Quebec	587,777	45,866,028
Newsprint	457,608	31,007,467
Book and writing	21,533	5,020,651
Wrapping	57,465	5,917,453
Boards	32,595	2,510,790
Other paper	18,576	1,409,667
Canada	1,366,815	106,263,078
Newsprint	1,081,364	75,971,327
Book and writing	64,808	12,560,504
Wrapping	81,793	8,219,841
Boards	113,200	7,003,081
Other paper	25,650	2,508,325

ONE CORD OF WOOD PRINTS 96,000 PAGES

In response to an inquiry, "how much wood it takes to make a 24-page newspaper," W. G. MacNaughton, secretary of the Technical Association of the Pulp and Paper Industry, offers the following:

One ton of newsprint contains roughly 1,500 pounds of mechanical wood pulp, which, in turn represents 5/6 cord of rough spruce wood, together with 500 pounds of sulphite (chemical wood pulp), representing ½ cord of spruce wood.

One ton of newsprint, therefore, represents 5/6 + ½ = 1 1/3 cords of wood.

The average daily newspaper weighs approximately 6 ounces to 24 pages.

1 pound of newsprint = 64 pages of a newspaper.
2,000 pounds (one ton) = 128,000 pages.
1 1/3 cords wood = 128,000 pages.
1 cord = 96,000 pages = 4,000 copies of 24-page papers.

This is a fairly close approximation and about as near as can be calculated for the average conditions.

THE FINANCIAL POST is printed on a higher than ordinary grade of newsprint. About 7,500 copies of an ordinary 16-page issue can be printed from paper produced from one cord of pulpwood.

BRITISH CAPITAL WATCHING CANADIAN PAPER INDUSTRY

(Continued from Page 17)

which would be required if they were to import their own paper. The vast majority of newspapers have very small stocks and draw from the various mills the different sizes they require as and when they require them. A possible solution of this difficulty would be for Canadian exporters to establish large warehouses in England and carry stocks of all the sizes required by their English customers, but this would mean locking up a very large capital and very heavy expenses for rent, etc. With the market in the United States ready to take all the paper Canada is producing there is very little encouragement for any such speculation at the present moment.

Question of Market Conditions

Of course none of these difficulties are insurmountable. It is largely a question of the market conditions of the time. At present the excess of demand over supply in the paper market is greater in America than in Europe, but with the restoration of normal conditions in Europe the demand for paper may become sufficiently acute to justify the alterations in sizes and various other adjustments which will be necessary before a regular trade in Canadian paper in England can be established. We must however, expect active opposition from the English publishers who have invested large sums in printing equipment, from the English paper mills who will not like to see their market invaded and also from the Scandinavian exporters who by reason of their close proximity to England have been able to work up a substantial business there. A start might be made with those printing establishments which are conveniently situated for direct sea freight. Railway costs on paper are very high in England and would kill any possibility of sending paper to consumers who are far removed from the seaboard in England.

But after all, why send paper to England when there is such a good market for paper in the United States and for Canadian pulp in England?

PULP AND PAPER INDUSTRY ADVANCED DURING YEAR

(Continued from Page 17)

industry as a whole. Much progress has been made to these ends in the past year.

All of which suggests serious study by the investor. He may ask himself if the progress of the industry in the future is not likely to bring about a slow and gradual improvement in the market value of the pulp and paper securities to somewhere nearer the high values of 1920; values that were unsound then but that may be justified by future accomplishments.*

The chart below more clearly sets out the movement of the pulp and paper stocks.

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*A more complete discussion of stock market possibilities is given under the heading "What Will Stock Market Do," elsewhere in this issue.

FARMER BANK MOMENTOS RECALL DAYS OF WOLVES

Hanging just inside the front door of the office of Manager Whittingham, of the Keeley Mine, South Lorraine, are three interesting curios, three rifles. They are relics of two important events of the past. The Keeley is the mine which led to the undoing of the Farmer's Bank officials. The rifles were placed on the wall by these officials and were kept near the front door so as to be handy in the event of a visit from wolves, which in those days was by no means a rare occurrence. Evidently the rifles passed along with the other assets of the mine.

Province of Ontario Pulpwood

Millions of Cords, Well Conserved, Close to Markets

Millions of Acres in Reserve with Waterways and Water Powers

Ontario's Water-Power Resources

General outline of the distribution of Ontario's principal water-powers:—

Ottawa River and Tributaries, 688,000 h.p.

Great Lakes Tributaries, 446,000 h.p.

Hudson's Bay Slope, 250,000 h.p.

James Bay, 1,500,000 h.p.

International Boundary Rivers, 2,045,000 h.p.

Dominion Water Powers Branch Estimate of Ontario's developed water powers as at 1918, 789,500 h.p.

Dominion Water Powers Branch Rough Estimate of the Water-powers undeveloped in Ontario in 1918, 5,800,000 h.p.

Maps and General Information obtainable from the Minister of Lands and Forests, Parliament Buildings, Toronto.

IN THE pulp and paper resources of Ontario the province possesses an asset of incalculable value. The provincial government is fully awake to this fact, evidenced by the care taken for the conservation of the pulpwood areas both from the devastation that comes through forest fires, and from the wastage due to uneconomical operation of limits. With the co-operation of thirty-six pulp and paper concerns, whose plants are well established in Ontario, the government Department of Lands and Forests maintains a vigilant guard over immense wealth in growing trees.

With a pulping capacity of over 850,000 tons pulp, and around 700,000 tons of paper, the pulp and paper mills established in Ontario, as may be calculated, use a considerable cut from the forest resources of the province every year; there is still indicated a much greater possible production. Yet there is abundant room for a greater expansion of the pulp and paper industry in Ontario than has yet been effected.

Over and above the immense area of rich resources in growing trees found in the chartered districts of Ontario, there is the vast and still only fractionally surveyed district of Patricia, almost a province in itself, with an area of 146,000 square miles of undulating and river irrigated territory at least partly covered with pulpwood and awaiting development in all directions.

Millions of cords of pulpwood remain available for industrial development within the borders of Ontario, some of this in large limits. This raw material exists on crown lands as yet undisposed of to any pulp and paper making concern. There is no danger of Ontario's encouraging an unwisely extravagant venture in the direction of utilization of these resources; lessons have been learned in the subject of pulp and paper development, and while the province has not suffered seriously by them, development is being encouraged but not over development.

Protection of the forest resources of Ontario from devastation due to the ravages of fire is being increased. More numerous fire rangers with smaller areas to watch over are able to locate and quench incipient outbreaks before the fire has had a chance to do much wasteful damage. Settlers' slash fires are restricted most vigorously as to season, and the chances of these fires spreading are greatly reduced of recent years. With airplane patrolling of forest areas, and equipment powerful and portable for the quenching of fires as they arise, the loss and risk of loss by fire in the forest areas is held down. The policy of the provincial government is to maintain and increase protection of Ontario's pulpwood resources by every possible means, not to stint expenditure on necessary machinery or man-power that may check forest fires with speed and efficiency.

Water power and pulpwood resources go together in modern industrial economy, and herein Ontario is doubly rich. Throughout the wide forest areas of the province there run rivers and smaller streams remarkably well adapted for the running of logs in their long level stretches, and superbly situated as a rule to add their aid to industrial development through the use of water power from cataracts. With developed already the greatest amount of water power in the whole Dominion, Ontario has available at least five times as much again. There are at least 5,800,000 horsepower in hydro electric energy still to bring into industrial harness in Ontario. This estimate is conservative and made by the Dominion Bureau of Statistics, Department of Trade and Commerce. It does not take account of the possibilities for power contained in the great St. Lawrence schemes under contemplation. These still undeveloped water powers exist in proximity to many vast areas of pulpwood and will undoubtedly find their first development in the service of the pulp and paper industry.

Ontario's Pulpwood Resources

Total area of Ontario's Forest Lands (exclusive of Patricia), 125,000 square miles.

Extent of the District of Patricia, the pulpwood resources of which are unexplored, 146,000 square miles.

Area of Pulp Concessions granted, 33,325 square miles.

Capital Investment in Pulp and Paper Mills in Ontario in 1921, $140,000,000.00.

Production of Pulpwood in Ontario, (average 1917 to 1921), 1,000,000 cords.

Value of Pulpwood produced in Ontario in 1921, $16,626,104.00.

Value of Product of Pulp and Paper Industry at place of preparation, including raw wood, pulp exported and paper made, $70,000,000.00.

With a view to the wise and economical development of the available resources of Ontario in pulpwood and water power, the Provincial Government Departments are equipped to supply full and accurate information to enquirers on all matters that may interest for investment or for industrial location.

Maps, photos, figures and facts are set forth clearly in recent publications of the Departments concerned, and these data are readily supplied to bona fide enquirers. Every legitimate aid is given by the Ontario Government for the development of progressive and prosperity inducing industries within the borders of the province. No irksome official requirements are insisted upon. Inquiry is invited from intending investors or industrial concerns investigating with a view to locating in Ontario.

Provincial Government Buildings, Toronto, Ontario

Canada's Most Important and Fastest Growing Industry is Pulp and Paper

IT HAS been a great source of wealth for Canada, has the pulp and paper industry. Wheat turned the prairies of the West, with their herds of roaming buffalo, into a great treasury of twice-golden wealth. Mining camps transformed rocky wastes in Northern Ontario and in British Columbia into founts of financial strength for the country. And the pulp and paper industry has given commercial significance to immense areas of British Columbia and Eastern Canada, that have in the past offered the world merely the menace of forest fire.

The pulp and paper industry is Canada's most important industry, both as to the investment of capital and as to the value of exports. At the present time it probably ranks highest in the value of the products produsced annually. In 1919, the last year for which comparative figures are available, there was a total of $347,000,000 invested in the pulp and paper industry; next came the lumbering business with an investment of $199,000,000 and the manufacture of agricultural implements followed with $101,000,000. The capital investment in the pulp and paper industry had grown to $381,006,324 in 1922 and will likely go over the $400,000,000 mark in 1923. Only the business of developing water power, not essentially a manufacturing industry, exceeds pulp and paper in total capitalization.

On the basis of the value of the products, pulp and paper is quickly coming to the top. For the year 1920 it ranked third; the figures for the production of the first five industries ranking as follows:

Meat packing	$240,500,000
Flour and milling	239,350,000
Pulp and paper	236,400,000
Lumbering, etc.	207,150,000
Construction	126,900,000

In 1921, with lower prices prevailing, the production had declined to $151,000,000 but 1922 climbed upwards a bit to a total of $155,785,388. In actual tonnage of products 1922 was higher than 1920 and it is certain that the census figures will soon be showing that in value of products pulp and paper stands before any other Canadian industry.

Five Firms 40 Years Ago

The growth to this stage has been rapid. Forty years ago there were five firms in the business in Canada with a capital of $92,000 invested and an annual output of $63,000. Since then the growth has been as indicated of properties in the industry. The figures for five years have been as follows:

	Pulp Tons	Paper Tons
1917	1,464,308	853,689
1918	1,557,193	967,724
1919	1,716,089	1,090,235
1920	1,960,102	1,214,951
1921	1,540,782	1,021,941
1922	2,150,251	1,366,815

Production on Up-Grade

On the basis of actual tonnage produced the figures provide a clearer record of the actual physical growth in the following table:

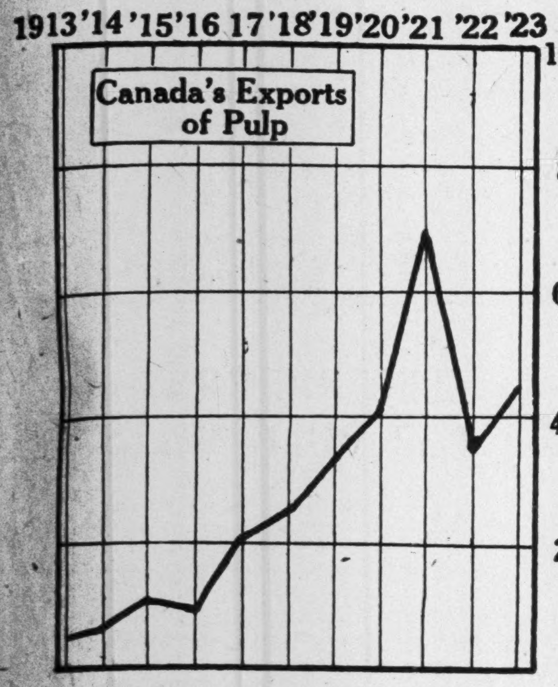
	Capital	Output
1881	$ 92,000	$ 63,000
1891	2,900,907	1,057,810
1911	53,696,933	....
1917	....	96,340,327
1918	307,922,402	119,309,434
1919	....	140,186,457
1920	347,553,333	236,420,176
1921	379,812,751	151,003,165
1922	381,006,324	155,785,388

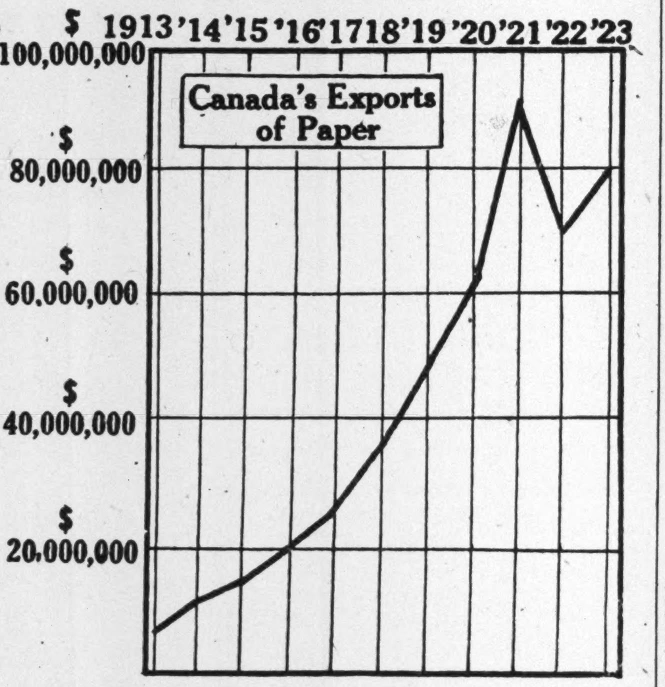
It will not be overlooked that paper production has grown more rapidly than pulp production. Canada is converting more and more of its pulp into the finished product at home.

Pulpwood Cut For Home Use

To feed the devouring pulp mills it has been necessary to cut each year an increasing amount of pulpwood from the timber lands of the Dominion-

(Continued on page 34)





September Dividend Payments

Dividends	$16,363,216
Bond Interest	10,317,846
	$26,681,062

DIVIDEND PAYMENTS

Company	Rate	Date	Amount
Belding Corticelli, pf.	1¾q	15	$15,142
Brazilian Tract'n, c'm.	1 q	1	1,065,760
Can. Consol. Rub. pf.	1¾q	30	52,500
Can. Pac. Rly., com.	2½q	30	6,500,000
Do., pref.	2 s	30	1,613,638
Crow's Nest Coal	1½q	1	93,189
Confederation Life	5 q	30	5,000
Detroit Un. Rly.	1½q	1	230,625
Eng. Electric, pf.	2 q	30	40,000
Eastern Theatres, pf.	3½s	14	17,500
Hollinger Mines	1 m	10	246,000
Imperial Oil	75c+75cq	1	2,352,000
Imp. Tobacco, com.	1½q	30	471,456
Do., pref.	3 s	30	240,900
Inter. Milling, pref.	1¾q	3	19,338
Keeley Mines	8 s	—	160,000
Lk. of Woods, com.	3 q	1	105,000
Do., pref.	1¾q	1	26,250
London Life Ins.	2 q	30	1,650
McIntyre Mines	5%q	1	182,010
Montreal Cot., com.	1½q	15	44,244
Do., pref.	1¾q	15	51,618
Montreal Loan	3 q	15	18,000
Ogilvie Flour, pf.	1¾q	1	35,000
Port Hope San., pref.	1¾q	1	7,980
Sher.-Williams, com.	1½q	30	60,000
Do., pref.	1¾q	30	59,938
St. Maurice Paper	1¼q	—	98,748
West. Canada Flour	2 q	15	57,500
Woods Mfg. com.	2 q	1	34,372
			$13,905,358

BANKS

Bank—	Rate	Date	Amount
Commerce	3 q	1	$450,000
Hamilton	3 q	1	150,000
Hochelaga	2½q	1	100,000
Montreal	3 q	1	817,500
Royal	3 q	1	612,000
Toronto	3 q	1	150,000
Union	2 q	1	160,000
Weyburn Security	3½s	21	18,358
			$2,457,858

q—Quarterly.
s—Half yearly.
m—Monthly.

BOND INTEREST DUE IN SEPTEMBER

Company	Rate	Due	Amount
Abitibi Pulp	8	1931	$180,000
Algoma East Rly.	5	1961	62,500
Black Lake Asbestos	6	1943	35,430
Brand.-Henderson	6	1939	20,745
Brompton Pulp	6	1939	29,100
Can. Steel Fdrs.	6	1936	60,492
Canadian Salt	6	1934	10,290
Can. Northern Rly.	3	1953	140,398
Dom. Iron & Steel	5	1939	177,352
Dom. Sewer Pipe	6	1927	2,079
Dom. Textile	6	1925	98,025
Do.,	6	1949	193,470
Dunlop Tire	6	1927	7,749
Hillcrest Collieries	5	1940	8,125
Lake Sup. Paper	6	1941	142,917
Mexico Trams.	5	1956	252,187
N. Brunswick Power	5	1937	46,725
Nova Scotia Clay	6	1930	1,950
Prov. Light H. & P.	5	1946	28,475
Ottawa Gas.	6	1939	25,500
Robin, Jones & Whitman	6	1930	6,042
Span. River Pulp	6	1929	69,285
Toronto Paper	6	1942	11,283
Southern Can. Pwr.	6	1948	108,360
West. Can. Flour	6	1928	20,787
Do.	6	1931	15,771
West Kootenay Pr.	6	1940	34,614
London St. Rly.	5	1925	11,875
Corporation Bonds			$1,801,526
*Municipal Bonds			3,400,000
*Provincial Bonds			2,800,000
Third War Loan	5	1937	2,316,320
			$10,317,846

Newfoundland Now a Centre of Interest in Newsprint

From Our Own Correspondent.

MONTREAL.—Interest in the pulp and paper development of Newfoundland is being created by the visit of Sir Glyn West, president of the Sir W. G. Armstrong-Whitworth Company, who is now in Newfoundland, and also by the announcement of the plans of the Anglo-Newfoundland Development Company.

Sir Glyn West has gone to Newfoundland in connection with the large pulp and paper plant being erected by his company under guarantees from the British and Newfoundland governments at Humber arm. About $25,000,000 is being spent on this plant.

It is understood that Sir Glyn is accompanied by John Stadler, now assistant general manager of the Belgo Canadian Paper Company, who is going to be in charge of the new company in Newfoundland. Mr. Stadler has been acting in an advisory capacity for the Sir W. G. Armstrong-Whitworth Company for a number of years and it is understood that he is likely to give up his present connections with the Belgo-Canadian Paper Company to take over complete control of the plant in Newfoundland.

The Anglo-Newfoundland Development Corporation, which is controlled by the Harmsworth interests, is largely extending its operations. A mill at Bishop's Falls, with accompanying timber limits, has been purchased and here a new newsprint machine is to be installed which will be running by the fall of 1924, producing 25,000 tons of newsprint per annum. This added to the present production at the mill at Grand Falls will give an output of 75,000 tons a year.

The company has also acquired a two-thirds interest in the new sulphite mill at Alexander Bay, 90 miles from Grand Mills. This will produce 25,000 tons per annum. The company now owns or controls 6,300 square miles of timber limits.

JULY EXPORTS OF PULP AND PAPER A THIRD HIGHER

Increase for Four Months Period Shows Material Advance

The report on the exports of pulp and paper just issued by the Canadian Pulp and Paper Association, shows that the total value of these items was $12,066,819 compared with $9,728,252 in July, 1922. Practically all grades of pulp and paper showed increases over the 1922 figures, either in actual tonnage or in value.

	July, 1922	July, 1923
Paper		
Newsprint	$5,453,845	$7,045,653
Book Paper	42,789	17,859
Oth. pr. & mfrs.	541,841	632,166
	$6,038,475	$7,695,678
Pulp—		
Sulphate	$ 778,948	$ 818,787
Sulphite, blchd.	1,012,774	1,104,668
Sulphite, unblchd.	1,213,700	1,361,175
Mechanical	684,355	1,086,511
	$3,689,777	$4,371,141

The reports for July were distributed as follows:

	Paper	Pulp	Total
U. S. A.	$7,219,461	$3,274,443	$10,493,904
U. King.	199,417	684,710	884,127
All other	276,800	411,988	688,788
	$7.695,678	$4,371,141	$12,066,819

The exports of pulpwood in July were 151,794 cords valued at $1,557,946 compared with 90,565 cords valued at $946,946 in July, 1922.

For the first four months of the current fiscal year there has been a big increase in the value of the pulp and paper exports compared with the corresponding months of 1922; this year's total being $45,093,431 against $35,276,317 last year.

Details for the four months were as follows:

	4 Months 1922 Value	4 Months 1923 Value
Paper—		
Newsprint	$21,323,557	$27,366,538
Book paper	55,457	107,770
Oth. pr. & mfrs.	1,888,717	2,536,792
	$23,267.732	$30,011,100
Pulp—		
Sulphate	$2,855.463	$ 3,024,584
Sulphite, blchd.	3,575,576	4,591,220
Sulphite unblchd.	3,347,753	4,359,856
Mechanical	2,229,794	3,404,671
	$12,008,586	$15,380,331

The exports of pulpwood for these four months amounted to 537,305 cords, valued at $5,082,393; compared with 291,640 cords, valued at $2,978,732 in the corresponding months of 1922.

ROLLAND PAPERS

First in the Field—in 1882
First in the Public Estimate To-day

The first mill built in Canada to make fine papers was erected at St. Jerome, P.Q., in 1882, when the late Senator J. B. Rolland founded The Rolland Paper Co., Limited. From the beginning the company specialized in High-Grade Products and for the excellence of their Bond and Ledger Papers were awarded the Gold Medal Antwerp, 1885; the highest award, Chicago, 1893; the Grand Prix, Paris, 1900, and many other similar awards.

In 1902 a second mill was built at Mont Rolland, P.Q., than which there is probably nothing finer on the continent.

It is largely due to the fact that all machines in both these splendidly equipped mills specialize on only High-Grade Products, coupled with the fact that most of the expert employees have been with the firm for over twenty years, that Rolland Papers have been able to maintain the uniform standard of excellence which has made them justly famous.

The "R Shield" watermark is in all Rolland products as an identification and guarantee of satisfaction.

The "R Shield" Watermark

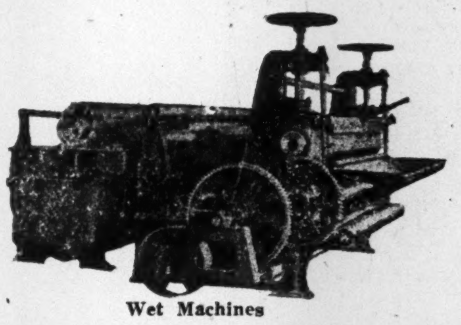
The Rolland Paper Co., Ltd.
High-Grade Paper Makers Since 1882

Head Office: 142 ST. PAUL ST. W., MONTREAL
Mills at ST. JEROME and MONT ROLLAND, P.Q.

MAKERS OF
SUPERFINE LINEN RECORD
EARNSCLIFFE LINEN BOND, etc.

Pulp Mill Machinery

80 YEARS EXPERIENCE HAS MADE OUR EQUIPMENT STANDARD IN CANADA'S LARGEST MILLS


Wet Machines

Magazine Grinders

The best practice in both Europe and America is incorporated in the design of the **WATEROUS IMPROVED WET MACHINE** built in sizes to take cylinder mould up to 36 in. in diameter and 93 in. wide. Recent improvements include a new offset arrangement of the press rolls, a better method of supporting suction box and couch roll, the use of an all metal vat, as well as the introduction of a number of labor-saving devices by which the operation of the machine has been made considerably easier and handier.

Is the most economical and efficient machine for reducing wood to pulp. It is rapidly replacing the old style pocket grinder. Because of the exact regulation obtained by electric governors, the power cost per ton of pulp is considerably reduced. The labor cost is also lowered as four grinders require only two men to produce eighty tons of pulp per day. This machine has a capacity of from 16 to 24 tons per day depending on the wood and the pulp required.

We Build—

- Haul-Ups and Conveyors
- Slashers
- Stackers
- Magazine Grinders
- Three Pocket Grinders
- Four Pocket Grinders
- Barking Drums
- Barkers
- Chippers
- Chip Screens
- Chip Disintegrators
- Centrifugal Screens
- Open Side Flat Screens
- Centrifugal Knotters
- Cylinder Moulds
- Deckers
- Wet Machines
- Centrifugal Pumps
- Beating Engines
- Slab Chippers

In fact any type of Mill Machinery designed and fitted to meet your special requirements.

Some of the companies at present using our machines include:

- Abitibi
- Whalen
- Wayagamack
- Laurentide
- St. Lawrence
- Spanish River
- Donnacona
- Belgo Canadian
- Provincial
- St. Maurice

Our 80 years experience is gladly at your service

Waterous
BRANTFORD, ONTARIO, CANADA

REGARD CANADA AS MAIN SOURCE OF WORLD'S PULP

Interesting Review Prepared By New York Bank

SELLS TO U. S.

Chemical Pulp is Mainly Produced in the States and Has Tremendous Market

The National Bank of Commerce in the September issue of Commerce Monthly, in an article entitled "Chemical Pulp and Wrapping Paper," credits the United States as being the world's largest producer of chemical pulp, producing in 1922 over 2,000,000 tons. This was all consumed in the U. S., plus 932,000 tons imported from Canada. The article continues:

"Canada ranks after the United States and Sweden as a producer of chemical pulp, with an output of 284,000 tons in 1913. Twenty per cent. of this amount was exported, chiefly to the United States, Japan, United Kingdom and China. The remainder was manufactured into paper by the local mills. By 1922, production of chemical pulp had increased to 690,000 tons, and Canada is regarded as the main source of the world's future supply.

"During the war period, Canadian exports of chemical pulp to the United States were stimulated by the exclusion from the American markets of the larger part of Scandinavian products, through lack of shipping, and its being placed elsewhere. Since the war, although imports from Europe have grown to large proportions, Canada has retained its position as the leading foreign source of American imports of chemical pulp. Imports from Canada in 1922 were more than seven times the volume of the prewar period."

Pulp Production of the United States

Year	Chemical	All Grades	Chemical per cent. of all Grades
	(in thousands of short tons)		
1914	1,599	2,893	55
1918	1,896	3,212	59
1919	1,925	3,385	57
1920	2,222	3,808	58
1921	1,526	2,801	54
1922	2,038	3,522	58

The European chemical pulp-producing countries include Sweden, Norway, Germany, Czecho-Slovakia and Finland. Sweden is the most important and that country ordinarily produces more than one-half of the chemical pulp entering international commerce. The bulk of Swedish exports goes to England, Germany, the United States and France. Its maximum output, 1,109,000 tons, was reached in 1922. Labor troubles in the early months of the present year have caused reduction in current output. The absence of Sweden's contribution to international trade has been felt by the United States and other countries which ordinarily rely on that country for pulp. The labor difficulties have now been adjusted, but it will be some time before the former rate of production and normal activity in the market are again reached.

Production of chemical pulp in Norway during 1922 amounted to 212,000 tons. However, exports during that year, due to the carryover from the previous year, amounted to 226,000 tons. Finland has increased steadily in importance as a source of American supplies of chemical pulp, and that country promises to be a permanent source of supply for the American paper mills. Over twice as much chemical pulp was exported from Finland in 1922 as in 1913. In 1913, Germany produced 940,000 tons of chemical pulp and exported one-fifth of the output. During the war, production declined and their exports ceased. However, in 1922 more than eighty thousand tons were exported. Germany is increasingly dependent upon foreign wood.

Exports of chemical pulp from the principal producing countries for the years 1913 and 1918 to 1922 are shown below.

Table B—Exports of Chemical Pulp from Principal Producing Countries

Country	1913	1918	1919	1920	1921	1922
	(in thousands of short tons)					
Sweden	723	512	750	790	466	986
Norway	232	187	147	232	98	226
Germany	198	*	*	38	†38	81
Finland	85	42	81	102	140	203
Canada‡	56	269	417	430	454	855

*Not available.

†May to December, inclusive.

‡Figures for fiscal year ending March 31.

In referring to the possibility of exhaustion of accessible supplies of pulpwood, the bank says:

"During recent years and even before the war the matter was brought into special prominence as the result of the increasing cost of pulp. This is due in large measure to the gradual exhaustion of the more accessible and therefore cheaper supplies of pulpwood. The demand for woodpulp is increasing, not only for paper making but for the manufacture of a large variety of widely different materials and articles such as artificial silk, wallboard, shipping containers, and utensils for dairy products.

"The United States has, in times past, imported considerable quantities of pulpwood from Canada. However, there is at present an embargo on exports of pulpwood from Canadian crown lands (covering about 85 per cent. of the forest area), while recent legislation empowers the government to prohibit all export of pulpwood. To meet the situation caused by the depletion of domestic pulpwood timber as well as Canadian embargo, the paper and pulp companies of the United States are conducting a campaign for federal and state forestry legislation to encourage timberland owners to reforest their cut-over lands so as to create a continuous supply, but so far have received small encouragement. Under present conditions the United States faces a pulpwood shortage for a half century. With a decreasing supply of pulpwood in the United States and an increasing demand for paper, this country is the leading importer of pulp. Imports of chemical pulp for 1922 were three times as great as average imports for the pre-war 1910-14 period."

The United States depends on Canada as its principal foreign source of supply of chemical pulp, while Sweden also furnishes a substantial amount. Data for imports for the five-year period 1910-14 and from 1918 to 1922 are shown below.

Country	1910-14 (5-yr.aver.)	1918	1919	1920	1921	1922
	(in thousands of short tons)					
Canada	55	344	284	408	237	406
Sweden	101	1	76	133	137	361
Norway	79	5	11	20	15	77
Finland	*3	—	14	27	38	57
Germany	76	—	—	8	18	22
Oth. c'tries	15	1	2	5	7	9
Total . .	329	351	387	601	452	932

*Four-year average, 1911-14.

The bank calls attention to Latin American countries as a profitable market for American-made paper and paper products. Continuing, the bank says:

"The Latin American countries are logically the best customers for paper and paper products exported from the United States. However, with the exception of Cuba, the market has not been developed extensively. The proximity of those countries to the United States is an important factor in further developing the demand for American paper.

"Glassine and greaseproof papers are used extensively in the Latin American countries. Here rests one of the many opportunities for the American manufacturers to develop a profitable trade with these countries. Competition is keen with the Scandinavian countries and Germany from the standpoint of price but when quality and service are given due consideration, the United States manufacturers have a reasonable basis for competition.

"European countries have an advantage over the United States insofar as the price of wrapping paper is concerned. The cheap labor which is predominant in most of the manufacturing countries of Europe enables the manufacturers to deliver paper into international markets at low prices in comparison with cost of production and distribution in this country. On the other hand, the United States offers wrapping paper of a quality unsurpassed by any other producing country at a price commensurate with the quality.

"In comparison with the volume of exports of the Scandinavian countries and Germany, the world's leading exporters of wrapping paper, the United States exports are negligible."

CANADA'S MOST IMPORTANT AND FAST GROWING INDUSTRY

(Continued from page 33)

ion. In 1922, the mills consumed an amount of pulpwood estimated at 3,000,000 cords as against 1,109,034 tons in 1913. The total cut of pulpwood in Canada has grown from 1,325,085 cords in 1908 and 2,144,064 cords in 1913 to 3,923,940 cords in 1922. A large part of the production is exported every year—an average of about 1,000,000 tons—but it is most significant that the increase in production of pulpwood has been almost entirely for consumption in Canadian mills. The amount exported has varied but little.

Exports Have Also Grown

Canada's exports of pulp and paper have grown with the industry. One could not do better than give the figures and let them speak for themselves. Exports of pulp and paper added together have grown as follows:

1912	$ 8,975,000
1917	46,476,000
1922	105,458,295
1923	122,554,439

Exports of paper have shown the growth indicated in the following table:

1912	$ 3,881,000
1917	26,072,000
1922	69,533,418
1923	79,567,941

Pulp exports have been as follows:

1912	$ 5,094,000
1917	20,404,000
1922	35,924,877
1923	42,986,948

Exports in Year 1923

To indicate the excellent recovery of the Canadian pulp and paper industry in 1923 over 1922 the following figures of exports for the fiscal years ended March 31, are given. It will be noted that newsprint exports have increased by a third; book paper exports are larger and pulp exports showed a larger enhancement in value.

	— Fiscal Year —	
Paper—	1922	1923
Newsprint	$64,635,627	$72,667,826
Book paper	201,764	298,596
Other paper ...	4,696,027	79,567,941
Total paper ...	$69,533,418	$79,567,941
Pulp—	1922	1923
Sulphate..	$ 7,906,872	$ 9,262,393
Sulphite, bld. ..	8,325,617	13,073,289
Sulphite, unbld..	9,236,296	11,098,374
Mechanical	10,456,092	9,552,892
Total pulp .. .	$35,924,877	$42,986,948
Tl. paper & pulp	$105,458,295	$122,554,889

Ranks First in Exports

Figures indicate that pulp and paper is Canada's most important exporting industry. Comparative figures of some Canadian manufactured exports in the fiscal year ended March 31, 1923, indicate the truth of this statement. Such figures are here given:

Pulp and paper	$122,554,889
Milling	64,045,112
Iron and its products	51,137,912
Fishery products	27,557,717

Industry Yet is Young

Such is the story the figures tell. And yet, in the opinion of seasoned observers, the industry is still in its infancy. Canada has the raw materials and the water powers to form the basis for a greater growth. Markets for paper are growing.

Even if the world's consumption of paper were not growing so rapidly Canada would still be in a position to develop its pulp and paper industry further because the abundance of raw materials here will have a tendency to bring to this country business that is now going to other paper producing nations. The United States is increasing its production of such an important commodity as newsprint but little, although the consumption of newsprint in that country is growing. Newsprint production in the United States is more likely to decline than increase.

The pulp and paper industry in Canada had its beginning in Quebec. That province still cuts for export and home consumption more than 50 per cent. of the pulpwood produced in Canada. The industry spread into Ontario, chiefly in the Niagara peninsula, which is still an important pulp and paper producing center. Mills have since been very widely established throughout the province, especially in the northern portions and up the Ottawa valley.

Further West in Canada

No development has taken place yet in the prairie provinces with the exception of the exportation of unimportant quantities of raw pulpwood. Spruce, balsam fir, jack pine and poplar are found abundantly throughout this region and are valuable pulpwood species. Manitoba seems to be ready to enter the industry and investigations have been made of the possibility of using straw for the manufacture of paper in the cereal growing provinces.

The rise of the industry in British Columbia has been almost phenomenal. In 1908 two mills were under construction but prior to 1911 the province produced less than 1,000 tons of pulp per annum. In 1912 the production rose to 25,000 tons and in 1920 the output of the six mills operating in British Columbia exceeded 200,000 tons of pulp and 130,000 tons of paper. The industry in this province is still confined to tide-water, although enormous resources of spruce, hemlock, balsam fir and other pulpwood species are found in the interior.

Pulp and paper may rightly be called "Canada's most important manufacturing industry."

GERMAN EXPORTS OF PAPER BASED ON MARK DECLINE

Mills in That Country Operate at 70% of Their Capacity

PULP FROM POLAND

At One Time German Newsprint Gave Canada "Scare"

AT ONE time Canadian Newsprint manufacturers were given a "scare" by the possibility of German newsprint shipments to the United States becoming a factor of importance in competition with the Canadian product. Now the danger is not apparent but investors in Canadian paper mills will read with interest the following account of the paper industry in Germany at the present time. It will be observed that Germans realize that their export business has been built entirely upon the decline of the mark.

The progressive depreciation of the German mark has resulted in constant decrease in the domestic demand for German Paper. The mills accordingly have been compelled to send increasing quantities of their products abroad, so that German paper exports are now considerably greater than in 1913. In one sense, however, and to a small degree, currency depreciation has increased domestic sales. Experience has shown that each new drop in mark exchange is followed by heavy purchasing, both by persons desirous of covering future requirements in anticipation of further price increases and by speculators.

Improvements in mark exchange, on the other hand cause not only a decrease in foreign orders but also a lack of domestic purchasing. This was well illustrated during February of the current year, when the mark rose from approximately 50,000 to the dollar to about 20,000, and was artificially held at that figure for some time. Domestic orders for wood pulp and paper fell off at once. Although the prices were reduced by the manufacturers, orders still failed to come in, prospective purchasers preferring to wait in the hope of further reductions.

Export orders ceased almost entirely as German export prices, influenced by exchange, had become higher than those of other countries. At one time the Geramn export prices were even below those asked on domestic orders—a hitherto unheard-of situation. The results of this condition were decreased production— part-time employment—and even, in some cases, complete shutdowns. In several instances manufacturers violated their trade agreements and sold at prices lower than those fixed by the various manufacturers' associations. Indeed, considerable quantities brought less than the actual cost of production.

This condition lasted for about seven weeks, from the first of February until about the first of April. At that time the mark resumed its decline and orders began to flow into the mills. At the present time they are generally accepted for delivery in in six or eight weeks. Employment has picked up steadily, but the industry as a whole is hardly operating at more than 70 per cent. efficiency, owing to the difficulty of obtaining sufficient coal.

The pulp mills have been forced to import over 80 per cent. of their raw materials. The principal sources of supply are Czecho Slovakia and Poland.

Recent Rains Will Help Corn and Roots

Returns made by the agricultural representatives to the Ontario Department of Agriculture, say that the recent generous rains will greatly help crop conditions. Corn and roots were much in need of moisture, while pastures were dry, affording insufficient fare for many of the animals grazing on them.

The rain also will be a boon to farmers so far as the cultivation of the soil is concerned. Plowing was almost impossible during August on some clay soils, except with tractors, and it was with the greatest difficulty that land could be got into condition for the sowing of fall wheat.

ELECTRIC POWER FOR PULP MILLS

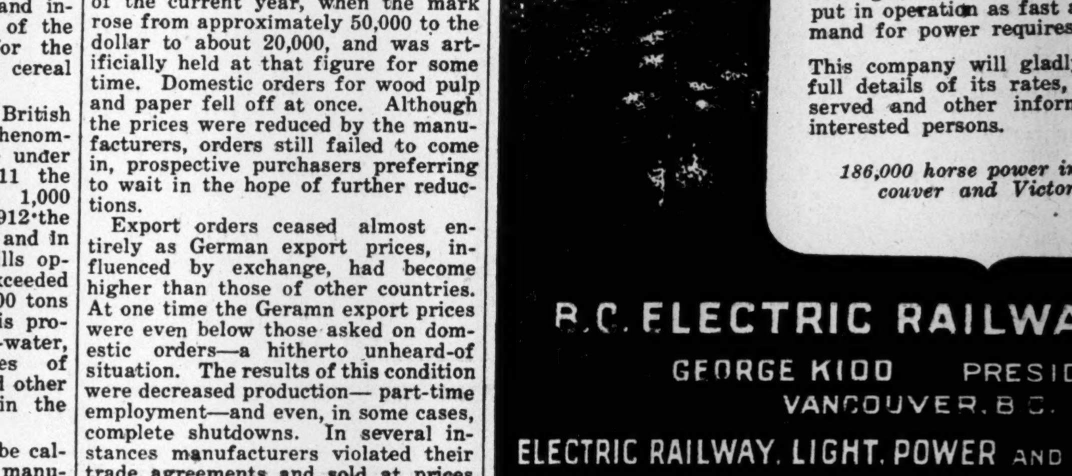
WORK now going on at Stave Falls at a cost of $1,000,000 will increase the Kilowatt hour output of that plant 50 per cent. by means of our new dam.

In addition to this work, we are about to commence construction of a system of three further plants on the Stave River with a total capacity of 115,000 horse power, costing $10,000,000, which will be put in operation as fast as the demand for power requires.

This company will gladly furnish full details of its rates, territory served and other information to interested persons.

186,000 horse power in Vancouver and Victoria.

B.C. ELECTRIC RAILWAY CO.
GEORGE KIDD PRESIDENT
VANCOUVER, B.C.
ELECTRIC RAILWAY, LIGHT, POWER AND GAS SERVICE



Invest in the wealth of Canada's natural resources

MAISON RENE-T. LECLERC INC. 1901

7¼%
with
unusual safety—

Assets of over $300 for each $100 share, and net earnings four times more than Preferred Stock Dividend requirements.

Belgo Canadian Paper Company Limited

7% Preferred Stock at 96.50 to yield 7¼%

Send for Prospectus

DOWN from the remote vastnesses of our timber-clad hills come rushing hundreds of rivers that are unlocking the great stores of natural wealth of our forests—hurrying the logs to the great mills that transform them into Pulp and Paper.

Abundantly provided with raw material, with low-cost water power and water transport, it is little wonder our Pulp and Paper Industry has made such strides that it already produces a large share of the world supply.

This great industry is firmly established in our land—its earnings are consistent—its future is our opportunity.

The growing demand for Pulp and Paper Securities is evidence that the Investing Public is fully alive to their intrinsic worth.

RENE-T. LECLERC
Incorporated

MONTREAL
160, St. James Street,

QUEBEC
74, St. Peter Street,

(Established 1901)

39

Supply of Raw Material Big Problem of Paper Industry

Public Opinion Awakening to Need of Providing a Future Supply of Wood for Canada's Most Important Industry

By **EDWARD BECK,**
Secretary, Canadian Pulp and Paper Association.

THE pulp and paper industry of Canada, which rests upon the utilization of the country's pulpwood resources, ranks second in point of capital investment among the industries of the Dominion. Its capital amounts to close upon four hundred million dollars. It ranks next to agriculture and the live stock industry in its contribution to the external trade of Canada. The value of its annual exports amounts to more than one hundred millions. It comprises over 100 establishments, scattered throughout the country, principally in Quebec, Ontario and British Columbia. It gives regular employment to some 25,000 operatives, exclusive of woodsmen, who, at certain seasons, number as many more. It pays out in salaries and wages some $35,000,000 annually and produces commodities valued at over $150,000,000. Its greatest growth has taken place within a comparatively few years and has been due in part to the waning supply of pulpwood in the United States, which has made it necessary for that country to look to the Dominion for a considerable part of its requirements of pulp and paper. Water-power development has had much to do with the growth of the industry and other favorable factors have played their part. Its future, it is becoming more and more evident, rests upon the degree of scientific management which can be applied to the forests and this, in turn, depends upon the measure of support accorded by the governments responsible for the protection and conservation of the country's resources.

Consumption Is Going Up

Since 1908, which is as far back as reliable records are available, the consumption of pulpwood in Canada has shown a remarkable increase. In 1908 the Canadian mills used 482,777 cords of wood in the manufacture of pulp and paper; in 1920, the consumption of pulpwood amounted to 2,777,422 cords, or almost six times as much. While the dollar value of the wood has not advanced at the same ratio, there has been a considerable increase, as is shown by the fact that the average value per cord in 1908 was $6.07 while in 1921 it was $17.55, an increase of approximately 190 per cent.

The year 1920 witnessed the greatest consumption of pulpwood by Canadian mills, amounting, as before stated, to 2,777,422 cords. Consumption in 1921 declined somewhat, owing to the general business depression, but when the figures for 1922 become available it will be found that consumption was greater than in 1920, and will probably exceed 3,000,000. In the last fifteen years the Canadian mills have consumed approximately 25,000,000 cords of wood. The larger part of this wood was spruce, although of late years the percentage of spruce has not been so high as it was at the beginning of this period. In 1908 spruce formed 87 per cent. of the total wood consumed, and balsam 12 per cent.; in 1921, the last year for which figures are available, spruce accounted for 69 per cent. of the total and balsam 25 per cent., hemlock ranking third with about 5 per cent.

In addition to what was consumed locally, a considerable quantity of wood was exported during this period. In 1908, 895,409 cords, having an average value of $5.47 per cord, were exported; in 1922, 1,011,332 cords, with an average value of $10.24 per cord. Total exports of pulpwood during the past fifteen years amounted to 15,377,000 cords or a yearly average of 1,025,000 cords. Combining domestic consumption with exports, we have a total for this period of over 40 million cords, of which our own mills have consumed 62 per cent. and our exports 38 per zent.

It is of interest to note that whereas in 1908 we exported 65 per cent. of our cut of pulpwood and consumed only 35 per cent., this ratio gradually changed until in 1921 we exported 33 per cent. and consumed 67 per cent. Since in 1922 our exports were smaller and our production of pulp and paper greater than in 1921, the proportion consumed at home as compared with the volume exported will be found to have increased.

All Goes to U. S. A.

Since 1902 Canadian exports of pulpwood have all gone to the United States. We supply about 20 per cent. of the total pulpwood used in that country. This, however, does not represent our entire contribution to their pulp and paper requirements since that country also takes about 90 per cent. of our pulp and paper exports. These have also increased very considerably in recent years.

Canada's increasing consumption of pulpwood is, of course, reflected in the large increase in the manufacture of pulp and paper which has taken place in the last fifteen years. The annual report of the Forestry Branch showed 40 mills producing pulp in Canada in 1908; in 1921 the report shows 67 mills engaged in the manufacture of pulp. In the earlier year the total quantity of pulp produced was 306,738 tons valued at $2,931,653, in 1920 the total production amounted to 1,960,102 tons valued at $141,553,000. This, however, was a year of abnormal market prices and is not to be taken as a criterion.

Mechanical Pulp Statistics

In volume of production mechanical pulp with about 1,500,000 tons per annum leads. Production of this grade of pulp increased from 325,609 tons in 1908 to 1,090,114 tons in 1920. Of the total production in 1920, 103,000 tons were made for use in domestic mills and 304,000 tons were exported. Since 1908 Canada has exported 3,929,000 tons of mechanical pulp, of which 2,764,000 tons have gone to the United States and 935,000 tons to the United Kingdom. Of the total production of 1,090,014 tons in 1920, 558,000 tons or over one-half were produced in the province of Quebec, and 394,000 tons in Ontario.

The total production of chemical pulp in 1909 was 120,000 tons, of which 115,000 tons was sulphite pulp. In 1920, production of chemical pulp amounted to 848,528 tons, of which 654,273 tons was sulphite and the remainder sulphate, with the exception of 5,800 tons of soda pulp. Previous to 1909 no pulp was produced in British Columbia but in that year the province manufactured 644 tons, all sulphite with the exception of 44 tons of soda pulp. In 1920 British Columbia produced 108,774 tons of mechanical pulp, 92,466 tons of sulphite and 17,242 tons of sulphate; a total of 218,482 tons.

Figures of Chemical Pulp

The total production of chemical pulp in 1920 was 848,528 tons, of which Quebec produced 400,355 tons; Ontario 256,317 tons, and British Columbia 109,708 tons.

It might be well to point out in passing that while the groundwood tonnage is considerably higher than chemical pulp tonnage it is estimated that at least 50 per cent. of the wood used was consumed in the chemical pulp mills.

Canadian exports of chemical pulp have risen from 40,687 tons in 1908 to 507,827 tons in 1922. Of the total production we export about 60 per cent., most of which goes to the United States with smaller quantities to England, France and Japan. During 1922 Canadian exports of chemical pulp amounted to 507,827 tons valued at $31,567,044 divided as follows: bleached sulphite, 151,048 tons, valued at $12,112,480; unbleached sulphite, 208,445 tons, valued at $10,377,746, and sulphate, 148,335 tons, valued at $9,166,818.

According to the latest census report the Canadian mills in 1921 had an annual capacity of 1,320,344 tons, dry weight, mechanical pulp and of 1,039,866 tons of chemical pulp.

Soon Cut 5,000,000 Cords

While the figures given above indicate that the largest cut of pulpwood in any one year has not greatly exceeded four million cords, the probabilities are that the current year will witness a cut somewhat in excess of five millions. New mills which have come into operation or are in process of building will materially increase the domestic demand. Exports are also increasing. From January to June inclusive, this year, Canada exported 731,162 cords of pulpwood as compared with 462,196 cords during the corresponding period last year, an increase of 58 per cent. over 1922. The indications point to a still greater rate of increase during the remainder of the year. It is safe to assume that the annual drain upon Canada's pulpwood resources from now on will amount to not less than 5,000,000 cords a year as long as that amount of wood is available. This, of course, takes no account of the enormous amount of timber cut for other purposes.

What Will Future Be?

The question which arises as to how much farther Canada can go in the development of the pulp and paper industry with reasonable assurance of being able to find the required raw material for its maintenance and without jeopardizing the enormous amount of capital already invested. This brings up the subject of Canada's pulpwood suply, concerning which there are as many and as varied opinions as there are authorities. Some official statistics have already been placed before the Conference. Unofficial estimates vary. Some of them say there is enough pulpwood in Canada to last all reasonable requirements for centuries; others that, even should there be no increase in the present rate of consumption, there is not enough maturing pulpwood to serve the existing industries for more than a comparatively short period and that if fire and insects are allowed to continue their destructive work the life of the existing supply will be shortened still further.

No Information on Forests

It is unfortunate that no authentic inventory of Canada's pulpwood supply is available and that most of the estimates cannot be accepted as being reliable or up-to-date. One of Canada's first necessities in dealing with the pulpwood problem would seem to be that of securing trustworthy data as to the supply of standing timber.

In 1919, Mr. F. J. Campbell, then president of the Canadian Pulp & Paper Association, in an address before the Canadian Forestry Association, made some interesting deductions from an official estimate made in 1904 of the then available pulpwood resources of the province of Quebec, the amount being given as 176,783,966 cords. Consumption in 1904 amounted to but 526,865 cords and it was calculated that the province had sufficient pulpwood at the then rate of cutting to last for 334 years. But, as Mr. Campbell showed, consumption by 1916 had increased to 1,711,151 cords, or 325 per cent. of that of 1904, which, taking into account the volume consumed in the intervening 12 years, brought down the expectancy as it should have been from 322 to 95 years. By continuing the calculation and using the same rate of consumption as prevailed in 1916, Mr. Campbell showed that by 1928, or after a lapse of 24 years from the time the original estimate was made, the expectancy of supply would be still further reduced to 45 years. He carries his calculation still further, saying:

"In the year 1890, the value of the output of the pulp and paper industry in Canada was $3,633,257, in the year 1915, this output had grown to $40,348,021; in 25 years, it has become eleven times greater than it was. The figures I have mentioned regarding our wood supply allow for an increased consumption that in 24 years or in the year 1928, only nine years ahead, will be 5½ times greater than in 1904, but it is evident that at the prevailing rate of development, the consumption will be at least ten times greater than in 1904, or 5½ million cords per annum. At that rate, the remaining supply would be about 121 million cords or, without allowing for further increase, sufficient for only 22 years more.

"We cannot get away from the constantly accelerating rate of consumption and as our supply, whatever it may be, is not at present increasing, the need of conservation and reforestation is daily becoming more urgent."

Mr. George Chahoon, Jr., another former president, in a bulletin issued by the Association in 1920, emphasized the rapidly dwindling supply of pulpwood, its rising cost and the vital necessity of taking adequate steps for its replenishment.

"The pulp and paper companies have foreseen the difficulty which confronts them in the waning supply and of the broad-minded and public-spirited attitude of the pulp and paper industry and can be assured that it will co-operate in every way to develop a forest policy which will place Canada on a firm and solid basis as the greatest pulp and paper producing country in the world."

Another Viewpoint

Dr. C. D. Howe, Dean of the Faculty of Forestry of the University of Toronto, who is a member of the Conference, is also on record as to the probable duration of Canada's pulpwood supply. He says:

"Estimates have been made which extend all the way from 15 to 1,000 years. About 30 years ago a prominent lumberman predicted that the timber supply of Eastern Canada would not last 25 years—and we still have some timber left. Yet his prediction came true. Using the standard of his time he was right. In those days they were cutting trees two feet in diameter. It apparently did not occur to him that the use of smaller trees would become profitable. If we were today dependent upon trees two feet in diameter for our timber or pulpwood supplies we would be facing a famine. Except in protected places, softwood trees of that size are gone from the forest—and they will never return. There are very few areas of commercial timberlands in the St. Lawrence drainage basin and in the Maritime Provinces that have not been cut over at least once—most of them several times and some of them five and six times in the past 60 years, and each time smaller trees and more inferior material were taken. Rising prices of lumber made this possible. The higher the price of lumber, the closer the utilization of the forest. Trees too small to be utilized to-day may, and, in all probability, will be used 10 or 20 years from now. Estimates as to the continuance of the spruce pulpwood supply are usually based on trees 12 inches or more in diameter, for this is the diameter limit below which spruce trees may not be legally cut in Quebec, where the pulp and paper industry is centered. Personally, I believe that the supply of spruce trees of that class will not last very much longer at the present rate of increase in pulpwood production in Eastern Canada.

May Use Other Woods

"Woods not now extensively used may be pressed into service, such as poplar and birch. Enormous quantities of these species as yet practically untouched are to be found in Eastern Canada. The making of pulp from poplar requires a different process from that of birch and each in turn a different process from that of spruce. So if the hardwoods were used instead of spruce, the pulp mills would have to be reorganized, new machinery installed and new processes established. This would be expensive, but it would be done if necessary—and the consumer of pulp products would pay the cost.

"The other alternative before the pulp companies when the supply of 12-inch spruce gives out, would be to move northward into the Hudson Bay region and utilize the small undersized spruce to be found in the north country where thousands of square miles are covered with spruce from 4 to 8 inches in diameter. It has attained full growth; it will never be any larger and might as well be cut. As you know, the northward migration of pulp and paper mills has already begun. I believe it will continue. I believe the next generation will see the centre of the spruce pulpwood indusry on Hudson Bay waters instead of on St. Lawrence waters. The manufacturing costs will be high, the transportation charges will be heavy—and the consumer will foot the bills."

Nearing the End

These views are typical of those in Canada best qualified to deal with the subject. They all agree in the premise that so far as Eastern Canada is concerned we are rapidly approaching the time when the industries which owe their existence to our coniferous woods will experience great difficulty in maintaining their supply of raw material. The hopeful thing about the situation is that public opinion is being surely but certainly aroused in behalf of scientific methods of dealing with the remaining forests and that the governments, both federal and provincial, are actively interesting themselves in bringing about an improved condition.

REFORESTATION IN QUEBEC

QUEBEC.—The Department of Lands and Forests is engaged on a scheme for the establishment of bureaux of forest research in various parts of the province. The schools will serve somewhat the same functions as the demonstration farms, with the exception that their activities will be confined to trees only. A sum of $25,000 has been set aside by the government for the furtherance of the scheme.

CANADIAN STRAW MAY BE UTILIZED FOR MAKING PULP

One of the Reserves of the World For Future Paper

MILLS NOW PLANNED

Sir Frederick Barber is in Canada—Now Considering Possibility of Turning Waste Straw Into Great Asset

IN VIEW of the approaching world shortage of pulp timber, British attention is turning to other sources of papermaking material within the Empire. The three main types are Canadian straw crops, bamboo and the native grasses of India. Paper has been made from straw for a considerable time past, principally in Germany and Austria, in which countries it takes the same place as esparto grass occupies in Great Britain. Efforts have been made by British mills to turn the straw crop to good account, but with indifferent success owing to the high cost of collection and greater facility for handling the cheaper esparto or woodpulp. All told, the straw crop of Great Britain constitutes a low tonnage figure.

More Straw in Canada

In Canada there are about 50 million acres of land carrying crops, the yield of which, apart from the grain, is at present sheer waste product. With careful treatment it is easily possible to secure a 30 per cent. yield of papermaking fibre from an average straw crop. The most difficult problem is that of collection and transportation, but it is possible that in the normal course of development and opening of the country some of these difficulties would be automatically solved. At least there is an interesting proposition which can be entertained within the Empire whenever real necessity makes utilization of further sources of papermaking material imperative.

In India the several native mills have long been producing excellent grades of paper from bamboo and several sorts of grasses. The supply of these materials is illimitable. They have been tested and proved equal to esparto and woodpulp. Whether the difficulty and expense of treatment and transportation in the form of bales of half-stuff is overcome or not, one thing is tolerably certain, namely, that India will continue to develop her own resources and will ultimately satisfy the bulk of her paper demand.

May Soon Be Started

Mills for the manufacture of paper from ordinary straw may soon be established in Canada, according to Sir Frederick Becker, who holds large interests in Canadian pulp and paper companies, and who recently arrived in the Dominion.

Through the discoveries of a French scientist, de Vains, it has become possible to manufacture writing-paper and newsprint from ordinary straw, said Sir Frederick. In Canada straw was nearly always burned, and was a total loss in every respect. If the new process proved successful, straw may augment the fast diminishing sources of raw material for ths pulp and paper supply of the world and bring more prosperity to the farmer, who would be able to dispose profitably of what had hitherto been wasted.

Sir Frederick Becker rceently stated that if experiments now being conducted in Kent under the de Vains process proved as successful as similar operations in France, there would be no doubt of the feasibility of turning all Canadian straw into pulp. In conversation with THE FINANCIAL POST, Sir Frederick promised to establish a pulp mill at Winnipeg and possibly somewhere in Saskatchewan as well. The pulp to be made would be used for the manufacture of the higher grades of paper.

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Investment Suggestions From Our September List

Security	Rate	Due	Yield
Province of Ontario	5½%	1942	5.10
Province of Alberta	5 %	1943	5.20
City of Three Rivers School Commission	5½%	1953	5.40
City of St. Lambert, Que.	5½%	1962	5.40
International Milling Co.	6 %	1930	6.00
St. Maurice Power Co.	6½%	1953	6.25
Belgo Canadian Paper Co.	6 %	1943	6.09
Howard Smith Paper Mills	7 %	1941	6.75
International Milling Co.	7 %	Preferred Stock	7.04
Belgo Canadian Paper Co.	7 %	Preferred Stock	7.25

Copy of September List now ready will be sent on request.

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PROVINCES HAVE ABANDONED SALES OF TIMBER LAND

Policy is No Longer to Alienate Crown Wood Supplies

N. S. MOSTLY SOLD

And in New Brunswick Also a Great Deal of Land Has Been Sold

A FEATURE common to the timber administrations of the Dominion government and that of the provinces of Ontario, Quebec, New Brunswick, and British Columbia is the system of timber licenses, whereby legislation prevents the permanent alienation of timberland. The licenses are granted only for the right to cut timber, the title to the land remaining in the crown. All licenses of the governments named contain what is known as the "manufacturing clause" whereby the export of unmanufactured timber cut on the lands covered by the license is prohibited.

Crown lands, including timber lands, in Canada are administered in most cases by the provinces in which they are situated. In the three prairie provinces (Manitoba, Saskatchewan, and Alberta), in the railway belt (a strip twenty mlies on each side of the Canadian Pacific Railway's main line through British Columbia) and in the Peace River block in northern British Columbia the crown lands are administered by the Dominion government. In this area there are few privately owned timber lands other than farmers' woodlots. Rights to cut timber are granted but the title of the land remains in the crown. In Nova Scotia the greater part of the timber land has passed into private ownership. In New Brunswick over seven thousand square miles of forest land is owned outright by railway companies and other private concerns or individuals. In Quebec about six million acres have been so disposed of and in Ontario about five million acres. The policy of retaining the title to all timber lands has been largely followed in the Province of British Columbia in the area under provincial control as well as in the federal areas. About 1,387 square miles of timber land is in private ownership.

British Columbia's Plan

In British Columbia all timber land west of the Coast range carrying more than 666 cubic feet (8,000 ft. board measure) per acre, and all lying east of this range and in the district of Atlin, carrying more than 416 cubic feet ($5,000 feet board measure) per acre is called "statutory timber land" and is withdrawn from disposal, until examined by the forest branch of the department of lands of the province. All land so examined and found suitable only for forest will utimately be dedicated to timber production. All other lands in the province which are examined and found to be better suited for timber production than for agriculture will also be so dedicated whether they are classed as "statutory timber land" or not.

This state of affairs in modified forms exists in almost all the provinces. New regions are being explored and their lands examined and in many cases where such land is found to be absolute forest land it is set aside in reserves. The policy of disposing of the title to lands fit only for the production of timber has been virtually abandoned in every province in Canada.

Start Municipal Forests

A start has been made toward the development of municipal forests in Ontario through the assistance given by the provincial government towards such projects. Throughout the rest of Canada, however, very little has been attempted in this connection. It is only within recent years that private corporations have evinced any interest in the science of forestry, and as yet very few lumber companies employ professional foresters. The pulp companies are beginning to realize that in order to maintain supplies of wood for their mills the practice of forestry on a scientific basis is necessary and at least fourteen companies maintain technical forestry departments. The work of the foresters in private employ has been primarily connected with the surveying and mapping of the forests and the preparation of working plans. In some instances, the entire woods operations have been placed under the charge of a forester and in others, the foresters act in an advisory capacity only. Several of the pulp companies are endeavoring to place their forests on a sustained yield basis, and a few have undertaken artificial regeneration, maintaining nurseries and establishing plantations. There are a number of consulting forest engineers who are employed by private interests to cruise and value forest properties.

Throughout the prairie provinces, Ontario and Quebec, there are vast numbers of small plantations and woodlots on the farms, which, though not individually extensive, indicate an interest in forestry, and in the aggregate will be of great benefit to the country, as much for their indirect influence as for the amount of wood produced.

LABOR SHORTAGE IN NORTH

NORTH BAY.—The labor situation all through Northern Ontario is becoming acute, according to reports received here. With the opening of the lumber camps throughout the district, and the exodus of men to the West for the harvest, the demand for men is much greater than the supply.

Paper Industry Uses Much Waste Paper

The paper industry which uses $50,000,000 worth of waste paper annually, saving thereby some 300,000 acres of forests which would otherwise be cut to meet the paper demand of the nation is not likely to feel any immediate effects from the proposal to utilize waste paper in the making of a new motor fuel. Two British chemists claim to have discovered a means of utilizing microbes to make alcohol. The "bugs" are said to be able to produce 50 gallons of alcohol from a ton of waste paper, in addition to 15,000 cubic feet of gas suitable for internal combustion engines. The American Paper and Pulp Association has been active in its campaign to bring forward more waste paper for the use of paper mills, who pay an average of $25 per ton for the paper used.

To Insure Future of Mills We Need National Forestry Policy

Some Suggestions to Avoid Repetition in Canada of the Experience of the United States in Recent Years

By THE DOMINION FORESTRY BRANCH.

IN ESTIMATING the time our supplies of timber and pulpwood will last, there are several important factors which must be considered besides the total estimated stand and the amounts annually used and destroyed.

It is quite probable that the estimates of mature timber will be reduced when a careful inventory is completed. There is a very considerable amount of timber for which, as far as can be seen, there is little chance of operating profitably. Certainly the virgin timber within reach of the established industries is rapidly becoming depleted, as evidenced by the long "drives," sometimes occupying two or three years, and the constantly increased cost of woods operations. This situation has led several of the pulp companies to undertake reafforestation measures. To an industry entailing large capital expenditure, such as the pulp and paper industry, the maintenance of appurtenant supplies of timber is of paramount importance.

There is every indication that the demand for forest products will increase more rapidly in the future than in the past.

Situation to the South

The forestry situation in the United States indicates that there will be constantly increasing demands from that country. Their original forest area of 822,000,000 acres has been reduced to 463,000,000 acres, of which only 137,000,000 acres carries virgin timber. This is being cut at the rate of 5,500,000 acres per year, so that, exclusive of growth, there is only 25 years' supply in sight. The standing timber is being cut at the rate of 26,000,000,000 cubic feet per year, which is more than four times the estimated annual growth; the timber of saw-material size is being cut at the rate of 56,000,000,000 feet board measure per year, and the growth of such material is estimated at 9,500,000,000 feet board measure per annum.

In a recent report to the United States Senate, the Secretary of Agriculture said, "Three-fifths of the original timber of the United States is gone and we are using timber four times as fast as we are growing it. The forests remaining are so localized as greatly to reduce their national utility. The bulk of the population and manufacturing industries of the United States are dependent upon distant supplies of timber as a result of the depletion of the principal forest areas east of the Great Plains."

Already the United States is dependent upon Canada for two-thirds of its newsprint, and our total exports of wood and wood-products to the United States in 1922 were valued at over $175,000,000. With the growth of population and decreasing supplies of timber in the United States, we must expect increased demand for our forest products, and we should be in a position to take advantage of this expanding and profitable market at our doors.

Canada is the principal source of coniferous timber within the British Empire, and our exports to other parts of the Empire and to the Orient and South America are rapidly increasing. With the growth of population in the Dominion, our needs for home consumption are bound to be greater, for, in spite of the use of substitutes, the use of wood continues to increase.

Though there is sufficient timber in Canada to maintain the present cut for many years, if all of it were exploitable, there is every reason to believe that the forest capital is being rapidly depleted, and if the increased demand is to be met, or even the present output maintained, and the forests of Canada placed on a sound basis of management, provision should be made without delay for the securing of sufficient net increment to meet the future requirements. The long time required for the growth of a merchantable stand of timber demands adoption of a forest policy far in advance of the immediate necessities.

There is very urgent need in Canada for the adoption of a national forest policy, which will harmonize, in so far as it is possible, the administration of the forests throughout the Dominion. This can be accomplished only through the concerted action of the Dominion and Provincial forest authorities meeting in conference. No great improvement in the methods of handling the forest can be secured from localized action, since restrictions or regulations which place the operators of one region at a present disadvantage as compared with their competitors in other parts of the country cannot be expected to receive the popular support necessary for their successful operation.

Such a national forestry policy should include:

1. The dedication of absolute forest land to the permanent production of timber. This involves the classification of the land and the exclusion of settlement from lands which are essentially suitable for forest purposes.

2. Legislation and organization sufficient to ensure adequate forest-fire protection. This involves:

(a) A campaign of education to secure fire prevention;

(b) The proper disposal of slash;

(c) Standardized equipment for the detection and suppression of fires.

Further Suggestions.

3. The employment of cutting regulations designed to secure the most favorable conditions for the reproduction and growth of the more valuable species of trees.

4. The encouragement of the practice of forestry on private lands by the proper adjustment of taxation to meet the special needs of forest property and by furnishing advice and assistance in the establishment and care of the forests.

5. It is of the utmost importance that a complete inventory of the forest resources be secured at as early a date as possible in order that the Governments and the public at large may be fully informed as to the extent to which these resources have been depleted, and what the prospects are for future supplies, and also that the industries dependent on the forest may be guided in their development by a knowledge of the location and extent of both present and future sources of raw material.

6. In order that the forests may be handled in such a manner as to secure the highest sustained production, there is a great need for a definite knowledge of the silvicultural characteristics and requirements of Canadian forests. This knowledge can be secured only by painstaking research.

Cyril Knight Joined the Nipissing To-day

To-day sees Cyril W. Knight sever his long connection with the provincial geological department to take up his new duties as geologist of the Nipissing Mining Co. Mr. Knight has been with the department practically since the finding of Cobalt. He was with Dr. W. G. Miller, the head of the department when the latter named Cobalt. The province's loss is Nipissing's gain. It rounds out a very efficient staff with R. B. Watson as managing director; Hugh Park, resident manager; Mr. Denny, mill superintendent, who, by the way, has gained an international name by his successful milling developments, and now Mr. Knight.

IT has been our pleasure to have been associated with the financing of two of Canada's largest producers of pulp and paper, namely, the Bay Sulphite Company, Limited and the Belgo Canadian Paper Company, Limited.

The excellent financial position of these Companies is indicative of the strength of the industry as a whole.

Our connection with this financing is the result of our belief that the manufacture of pulp and paper will be one of Canada's basic industries for many years.

Wood, Gundy & Company

Water-Power Progress In Quebec Aids Pulp and Paper Industry

IN VIEW of the great development that pulp and paper mills are undergoing at the present time, owing to the pressing demand for these products both at home and abroad, it may be appropriate to recall the real advantages that the Province of Quebec offers for these industries. Not only can power be purchased at reasonable rates from the existing plants, but it can also be obtained from the numerous undeveloped sites which may be found both in the populated districts and northward in the great uninhabited New Quebec.

According to the present policy of the Government, water-powers that are vested in the Crown are no longer sold outright; they are now disposed of under emphyteutic leases for periods varying between 25 and 75 years, according to circumstances. The Lessee on the one hand enjoys through them rights which are almost equal to proprietorship, as they are determined by the Civil Code of the Province; on the other hand, the Government remains the owner of the site and can control, in a measure, the operations of its Lessees.

CONDITIONS OF LEASE

Briefly summed up the conditions of an emphyteutic lease such as granted by the Quebec Government comprise the following:

(a) A fixed annual rental for the full term of the lease, say, 60 years.

(b) A royalty on the installed power which must not be below a minimum, stated in advance, and depending on various circumstances and conditions.

(c) This royalty may be revised after each period of 10 years, the Government giving to its Lessee the advantage of applying for arbitration in case differences of opinion should arise as to the fair amount of this royalty.

(d) Furthermore, every Lessee must give guarantee that the work will be performed within a stated time. Failing to do so, the lease may be cancelled.

Speaking in a general way all water powers are not necessarily vested in the Crown. Their ownership depends on certain ill-defined features of rivers. However, space is here too limited to permit discussion of so debatable a question.

A VERY ACTIVE YEAR

Suffice it to say that during the past year all the grants made in connection with water falls have been under emphyteutic leases and that the past twelve months have been undoubtedly the most active in many years. Thus it is that the first falls of the Outardes river, the Paugan Falls on the Gatineau river, Sault au Recollet on Des Prairies river, the third section of the Quinze river, were granted. Then the agreement with the Quebec Development Company through which the owners of the rapids of the Saguenay river were permitted to use Lake St. John as a storage reservoir has been one of the most important steps ever taken in the history of the province in regard to hydraulic works. The extent of the province is so great that these various grants lie far apart and there need be no fear of any serious competition from each other. Let us briefly describe them.

NEW POWER DEVELOPMENTS

The Outardes river is the most easterly of the above. Its watershed is some 7,300 square miles in area; its length 200 miles, and it is a sort of twin river to the Manicouagan although the latter has a much larger basin.

The Outardes river is about 220 miles from Quebec or 380 from Montreal, measuring along the river. The available head that may be used under the lease is 175 feet and with the permanent minimum winter flow of 2,500 cubic feet per second, the gross power of the falls is about 50,000 h.p.

If one bears in mind the remoteness of this river with regard to Quebec or Montreal, its sparsely populated neighborhood, the difficulty of navigation, the lack of railway communication and the impossibility of establishing such connections with the rest of the province for many years to come, it will be realized how well organized and how energetic and confident of success, must be the promoters of this Company. Yet the conditions imposed by the Government are quite serious and the rental royalties are by no means trifling.

Paugan Falls, on the Gatineau river, are well situated for the Hull-Ottawa district, and the lease completes a grant made many years previously in connection with land bordering these falls. The gross power here available with a head of 100 feet is about 45,000 h.p. In contrast to the Outardes river power, this one is found amidst a fairly populated district and its market seems pretty well at hand with the possibility of being utilized for street car traffic or other interurban communication.

The Sault au Recollect on Des Prairies river, just back of Montreal ought to prove a valuable addition to the already numerous other sources of power which feed the Metropolis. Although the problem of damming this river is not an easy one, yet it is to be assumed that the Company will find a ready market for its output.

MACHINERY FOR OVER 300,000 H.P.

The Sault au Recollet on Des Prairies river, just back of Montreal, to a series of protracted negotiations. By it the Government has finally permitted the owners of the rapids, granted more than 20 years ago—to build a dam, 7 miles from the outlet of Lake St. John, which is to be both a power and storage dam. The flow of Lake St. John will be regulated by this dam and the level maintained during the summer season to such a height that navigation will be greatly improved in addition to the great advantage thus given to the power plant.

Work has already started and machinery has been ordered for over 300,000 h.p. It is a surprising fact that two-thirds of this enormous power will be absorbed by the local market, and as to the remainder, the optimistic and most energetic directors of this great enterprise feel that they will have no difficulty in attracting, either from Canada, or from across the border, other industries that will absorb it.

AUCTION OF THE QUINZE POWER

It may be somewhat early to speak of the now famous Quinze power which was auctioned off in April last and fetched such a handsome price. It may be stated, however, that the grantees of these rapids have agreed to start work before the end of the year.

Much is expected of this projected development owing to the fact that it stands but ten miles away from the Ontario boundary and will likely be used to supply power to the mining centres of that district.

The Quinze river is regulated in a measure by the Quinze Lake storage dam which was built some years ago by the Federal Government.

In conclusion, the development work now going on at the Gabelle and Gres rapids, on the St. Maurice river, may be mentioned although the present owners obtained their rights in previous years. It is projected to develop at this site over 100,000 horsepower.

As stated at the beginning, the progress of power developments in the Province has been quite satisfactory during the past year, as we have shown in the above outline.

Quebec Water-Powers

AVAILABLE WATER-POWER	
At ordinary minimum flow...........	6,915,244 h.p.
Dependable for six months...........	11,640,052 h.p.
DEVELOPED WATER-POWER	
In central Stations..................	761,480 h.p.
In pulp and paper mills...............	234,737 h.p.
In other industries..................	80,666 h.p.
Total	1,073,883 h.p.